

From: [Joan Gustafson](#) on behalf of [Donna Murray-Brown](#)
To: [Notice Comments](#)
Subject: Response to Notice 2017-73
Date: Tuesday, March 06, 2018 6:05:37 AM

March 5, 2018

Internal Revenue Service
CC:PA:LPD:PR (Notice 2017-73)
Room 5203, P.O. Box 7604
Ben Franklin Station
Washington, DC 20044
Via email: Notice.comments@irs.counsel.treas.gov

RE: Response to Notice 2017-73

Dear Ladies and Gentleman:

We are grateful for the opportunity to provide comment on the proposed position on Donor Advised Funds (DAF) by the Treasury Department per Notice 2017-73. Michigan Nonprofit Association (MNA) has been serving the needs of the diverse nonprofit sector in Michigan for 28 years. Over our history, we have garnered extensive knowledge of our members, numbering more than 1,000; particularly regarding the ever-growing need for resources to support their missions.

[Section 3- ticket/grant splitting-providing more than an incidental benefit to the donor, donor advisor or related person.](#)

We do not support the proposed position of Treasury that DAF grants should not be allowed to be used to pay the deductible portion of an event ticket, membership, or even a charity auction item. The position holds that there is more than an incidental benefit to the advisor who recommends the grant in these situations making the grant improper.

Ticketed events are by far one of the most popular fundraising activities for nonprofit organizations. They are generally annual events representing the largest revenue source relied upon for the organization's mission. It is important to keep these events simple and less burdensome for attracting current and future donors. Making changes to the longstanding practice of bifurcated grant/ticket splitting threatens the ability of nonprofits to attract donors to their events to generate resources critical to their missions. There is no obligatory responsibility for a donor, advisor, or related person to purchase a ticket to an event of a nonprofit. Doing so is a charitable donation and benefits the nonprofit and those they serve.

We recommend that bifurcated grant/grant-splitting from a DAF, which has been allowed for more than a decade, continue to be allowed. Without actual evidence of significant abuse, Treasury should not change longstanding practice or impose additional burdens on charities that will make it more difficult to raise funds. Future guidance should confirm that a distribution from a DAF that pays only the deductible charitable contribution amount does not confer a more than incidental benefit to the advisor.

We sincerely appreciate your consideration of our response and to Section 3 of Notice 2017-73. We

are available to answer questions or to provide information that may be helpful.

Sincerely,

Donna Murray-Brown
President & CEO
Michigan Nonprofit Association
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