

February 20, 2026

Internal Revenue Service
Attn: CC:PA:01:PR (Notice 2025-68)
Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

RE: Recommendations for Notice 2025-68

The Council on Foundations (the Council) is writing to provide comments to the Department of the Treasury (Treasury) and the Internal Revenue Service's (IRS) notice of intent to issue regulations with respect to Section 530A Trump Accounts (the Notice), including, but not limited to, Questions H-2 and F-2. The points raised reflect the perspective of our members, offering recommendations based on the practical implications of how the proposed regulations will affect the philanthropic sector.

The Council is a nonprofit membership association that serves as a guide for philanthropies as they advance the greater good. Building on our over 75-year history, the Council supports over 1000 member organizations in the United States and around the world to build trust in philanthropy, expand pathways to giving, engage broader perspectives, and co-create solutions that will lead to a better future for all.

Our foundation members, and the organizations they help fund, would benefit significantly from further clarity on each regulatory issue outlined below.

- Foundations and Donor Advised Funds: Clarification Regarding Expenditure Responsibility
- Qualified General Contributions: Definition of Class of Account Beneficiaries
- Qualified General Contributions: Mechanics of General Funding Contributions
- Automatic Enrollment for Trump Accounts
- Trump Account Impacts on Public Benefits Programs

To assist Treasury in developing guidance, the Council has compiled information as well as examples of situations our members have encountered that illustrate the need for guidance in each area described above.

**Foundations and Donor Advised Funds: Clarification Regarding Expenditure
Responsibility**

The Council's membership includes community foundations and other public charities that sponsor donor-advised funds (DAFs). The Council understands that foundations and DAFs are eligible to provide "general funding contributions" under section 530A(f)(2), which are in turn used by the Secretary to make "qualified general contributions" under section 530A(f)(1). The Council requests clarification regarding requirements for expenditure responsibility in connection with general funding contributions.

Foundations and DAFs are required to exercise expenditure responsibility in accordance with section 4945(h) with respect to certain distributions. Expenditure responsibility can be labor-intensive, requiring organizations to make full and detailed reports with respect to the use of funds after the distribution. Further, not exercising expenditure responsibility when otherwise required can result in the imposition of taxes on the foundation or DAF.

Under section 4945(d)(4)(A)(i), expenditure responsibility is not required for grants made from private foundations to organizations described in paragraph (1) or (2) of section 509(a), and under section 4966(c)(2) expenditure responsibility is not required for contributions made from DAFs to organizations described in section 170(b)(1)(A). Section 509(a)(1) includes organizations described in section 170(b)(1)(A) other than in clauses (vii) and (viii) thereof, and section 170(b)(1)(A)(v) includes a governmental unit referred to in section 170(c)(1). Section 170(c)(1) includes "a State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes."

The Council interprets section 530A(f) as providing that a general funding contribution made by a foundation or a DAF would be made to Treasury, and, therefore, would be a distribution to the United States under section 170(c)(1). Footnote 6 of the Notice provides that Treasury and the IRS "have determined that an organization described in section 501(c)(3) furthers a section 501(c)(3) purpose by making a general funding contribution described in section 530A(f)(2), including distributions from a [DAF]." Section 501(c)(3) purposes include "religious, charitable, scientific, testing for public safety, literary, or educational purposes," which are public purposes as referred to in section 170(c)(1).

Based on Footnote 6 of the Notice, the Council believes general funding contributions are grants to the United States exclusively for public purposes under section 170(c)(1). If that is the case, then general funding contributions are also grants to organizations described in sections 170(b)(1)(A) and 509(a)(1), meaning that expenditure responsibility is not required for general funding contributions under section 530A(f)(2). The Council requests that Treasury and the IRS confirm this interpretation.

Qualified General Contributions: Definition of Class of Account Beneficiaries

Section 501(c)(3) organizations may make general funding contributions under section 530A(f)(2) so long as they specify a "qualified class" of account beneficiaries to whom the contribution is to be distributed. Section 530A(f)(3)(A) defines a "qualified class" as any of the following:

- All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made;
- All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who reside in one or more states (including the District of Columbia) or other qualified geographic areas specified by the terms of the general funding contribution; or

- All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who were born in one or more calendar years specified by the terms of the general funding contribution.

Section 530A(f)(3)(B) gives the Secretary the right to designate qualified geographic areas so long as such areas do not have fewer than 5,000 account beneficiaries in residence. In Question H-2 of the Notice, Treasury and the IRS have specifically requested comments regarding what uniform factors and criteria should be considered to designate qualified geographic areas. The Council suggests Treasury and the IRS consider using Zip Code Tabulation Areas (ZCTAs) as a base for determining geographic areas and consider including ZCTAs in U.S. territories.

For calendar years 2026 and 2027, Treasury has provided that the minimum general funding contribution must be equal to at least \$25 per account beneficiary in the qualified class, and that the minimum number of account beneficiaries in a geographic area is 5,000 account beneficiaries. This translates into a minimum general funding contribution of \$125,000, assuming a geographic area with 5,000 account beneficiaries can be identified. Some foundations could be interested in making a general funding contribution of at least \$125,000, particularly if the contribution could be directed toward geographic areas with demonstrated high need. However, because the current minimum geographic area is at the state level, much larger contributions are required if an organization wishes to contribute to Trump Accounts. Based on the 2020 Census, the District of Columbia is the state with the fewest individuals who could qualify as account beneficiaries with 114,384 individuals. If all those individuals were account beneficiaries, then an organization hoping to make a general funding contribution for account beneficiaries in the District of Columbia would be required to contribute \$2,859,600. If, instead, the organization wanted to benefit account beneficiaries in California, which is the state with the most individuals who would qualify as account beneficiaries based on the 2020 Census with 8,711,118 individuals, the minimum contribution would be \$217,777,950 – just to give each account \$25. Such a contribution is impossible for many of our members, and difficult to justify for the organizations with the funds available.

State-level geographic areas do not lend themselves to tailored and impactful contributions. As an example, consider the District of Columbia and assume an organization wishes to make a general funding contribution of \$5,000,000. Based on the 2020 Census, if the geographic area is the entire District of Columbia, this results in each account beneficiary receiving \$43.71. Our members have expressed that if they are making a general funding contribution of \$5,000,000, they would prefer to target the contribution to a smaller portion of the eligible account beneficiaries, perhaps focusing on areas within the District of Columbia with higher poverty rates, so that the organization could be sure of having a more meaningful impact per account beneficiary. The District of Columbia, as with many major cities, falls within a single county, so geographic areas determined by county would not permit the organization to tailor its gifting in this way. However, the District of Columbia is divided into ZCTAs. The 2020 Census estimated individuals under age 18 in ZCTA 20020, which includes the city's Anacostia neighborhood, at 16,707. Therefore, a \$5,000,000 contribution to account beneficiaries in ZCTA 20020 would result in each beneficiary receiving \$299.28, almost seven times what they would have otherwise received if the organization were required to use the larger geographic area.

In addition to defining geographic areas by ZCTA, the Council requests that organizations be permitted to combine the criteria in section 530A(f)(3)(A) when defining a qualified class. For example, the Council believes a qualified class could consist of all account beneficiaries in a qualified geographic area who were born in one or more calendar years.

Our members value the ability to ensure the grants they make further specific charitable missions. More granular geographic criteria and the ability to combine factors will give organizations more control over their contributions and greater certainty that they are indeed fulfilling those missions. Further, including ZCTAs in U.S. territories broadens inclusion for regions often omitted from programs that could have meaningful impacts for their residents. The Council also understands that the qualified contribution program for Trump Accounts must have clear guidelines in order to allow for efficient administration by Treasury. ZCTAs are clearly defined geographic areas for which census data is readily available, and Treasury and the IRS have already determined that year of birth is criteria for which the Secretary has the capability to administer. Combining criteria should not meaningfully increase the burden of administration and may meaningfully increase our members' willingness to participate in this program.

Qualified General Contributions: Mechanics of General Funding Contributions

The Council's members are interested in general funding contributions for Trump Accounts as a way to further their respective charitable purposes. Some of our members may wish to base the amounts of such contributions on the impact the contributions will have on a per account beneficiary basis. To do so, it is essential that organizations are able to identify with certainty the number of account beneficiaries in a qualified class at the time the organization makes an application to Treasury regarding the general funding contribution. Therefore, the Council requests that Treasury and the IRS further clarify the mechanics of general funding contributions, including (i) responsibility for maintaining data regarding account beneficiaries, (ii) final dates for determining account beneficiaries in a qualified class, and (iii) substantiation provided for qualified general contributions.

Data Maintenance

To make an informed decision regarding the qualified class for a general funding contribution, an organization must be able to identify the number of account beneficiaries in a potential qualified class, whether such class is identified by year of birth, geographic area, or some combination thereof. Therefore, the Council requests that Treasury and the IRS identify which parties will be responsible for maintaining a current registry of account beneficiaries, the years of birth of such account beneficiaries, and the geographic area of such account beneficiaries. In addition, the Council requests guidance regarding the responsibility of updating such registry. In developing such guidance, the Council suggests that Treasury and the IRS consider the following:

- Who will be the party responsible for maintaining a centralized registry of account beneficiaries? How often will the registry be updated? How will organizations contemplating general funding contributions access the registry?
- A registry of account beneficiaries is likely to contain personal identifying information about the account beneficiaries. How will the party responsible for maintaining the registry ensure data

security and privacy standards are met? To the extent an organization has access to the registry, how will the data be anonymized?

- The Council understands from Question A-1 of the Notice that the authorized individual making the election to open a Trump Account for an eligible beneficiary will be the “responsible party” with respect to such Trump Account. Will the responsible party with respect to a given Trump Account be required to report a change in address of an account beneficiary? How will such a report be made and how will this requirement be communicated to the responsible party? To whom will such report be made?
- If an account beneficiary has relocated, but such change is not reported, will the account beneficiary continue to be considered a resident of the previously reported geographic area?

Qualified Class Cut-Off Dates

Related to the account beneficiary registry described above, if an organization intends to base its general funding contribution on the number of account beneficiaries in a qualified class, then there must be a final determination date for defining the qualified class. In Question H-2 of the Notice, Treasury and the IRS explain that qualified general contributions may be made on a quarterly basis, based on the members of the qualified class as of the beginning of the quarter.

Consider, for example, an organization planning to make a general funding contribution in the fourth quarter of 2026. The Council interprets Question H-2 as providing that the cutoff date for changes to account beneficiaries is October 1, 2026. On or after such date, but before December 31, 2026, the organization may make an application to Treasury including the total amount of the general funding contribution and the qualified class. The Council requests clarification on the following:

- Whether the Council’s understanding of cut-off dates in Question H-2 is correct.
- If the cut-off date for the fourth quarter is October 1, 2026, when will an organization be able to access data regarding numbers of account beneficiaries who meet the criteria for the qualified class definition?
- May an organization make an application to Treasury regarding a general funding contribution at any time during the fourth quarter? Or must applications be made by a specific date?
- When will Treasury make corresponding qualified general contributions to applicable Trump Accounts? Will the qualified general contribution be made on December 31, 2026, or will it be made sometime after that date?
- If an account beneficiary dies between October 1, 2026, and the date of an organization’s general funding contribution, will the amount allocated for such account beneficiary be distributed pro rata to the living account beneficiaries in the qualified class? What if the account beneficiary dies between the organization’s general funding contribution and Treasury’s qualified general contributions?
- Consider a geographic area designated by the Secretary as a qualified geographic area pursuant to section 530A(f)(3)(B) in which just over 5,000 account beneficiaries reside. If the number of account beneficiaries in that geographic area declines to under 5,000, whether due to relocation or death of account beneficiaries, does the geographic area cease to be a qualified geographic area? Will the same cut-off date apply to determine whether the geographic area is a qualified

geographic area? In other words, if, on October 1, 2026, more than 5,000 account beneficiaries reside in a qualified geographic area, but, at the time of an organization's general funding contribution (or the Treasury's corresponding qualified general contribution), the geographic area included less than 5,000 account beneficiaries, will the geographic area continue to qualify as a qualified geographic area for purposes of the organization's general funding contribution?

Substantiation of Qualified General Contributions

As explained above, some of the Council's members have expressed an interest in making qualified general contributions based on the amounts that individual account beneficiaries will receive in corresponding qualified general contributions. Section 530A(i)(1) includes requirements for the trustee of a Trump Account to make certain reports to Treasury and to the account beneficiary. According to Question F-2 of the Notice, a contributor making a general funding contribution that is related to a qualified general contribution may elect to be identified in the reports to the account beneficiaries as the contributor of the funds. The Council requests guidance on what the contributing organization in turn can expect in terms of reporting and substantiation.

Because organizations making general funding contributions are making such contributions to Treasury, who in turn is making qualified general contributions to Trump Accounts, our members wish to understand the evidence Treasury intends to provide to confirm that qualified general contributions are made in accordance with the terms of the application for general funding contributions. For example, an organization may wish to be able to report that it contributed a certain dollar amount per Trump Account in a specific qualified geographic area. Without Treasury's final determination of the number of account beneficiaries to which a qualified general contribution will be made, the organization would be unable to report that data. Therefore, the Council requests that Treasury and the IRS provide guidance regarding reports that Treasury will provide to organizations that have made general funding contributions and expected timelines for providing such reports. The Council suggests that such reports include (i) the number of account beneficiaries determined to be in the qualified class, (ii) the dollar amount contributed by Treasury to each such account beneficiary, and (iii) whether the Trump Account trustee's report to the account beneficiary identified the organization as the contributor of such amount.

Automatic Enrollment for Trump Accounts

Sections 530A(b)(1)(A)(i) and 530A(2)(C)(i) permit the Secretary to establish a Trump Account for an eligible individual, while section 530A(2)(C)(ii) permits a person other than the Secretary to elect to create a Trump Account for an eligible individual. Question A-1 of the Notice contemplates that Trump Accounts will be created at the election of an authorized individual but does not include guidance on Trump Accounts created at the election of the Secretary.

Some of the Council's members suggested that an automatic enrollment approach, rather than an opt-in approach, would result in significantly greater participation rates among eligible individuals, which in turn would dramatically increase the economic impact of the program. Families with incomes too low to require tax filing may not be made aware of the opportunity to create a Trump Account for minors in the family. Further, even with the option to elect enrollment online, families that are distrustful of public

systems may choose not to opt-in, forgoing the economic benefits of Trump Accounts. Automatic enrollment (possibly with the ability to affirmatively opt-out) would allow eligible individuals to participate despite these obstacles.

Under section 530A(2)(C)(i), the Secretary is authorized to automatically enroll eligible individuals. However, the Council recognizes that automatic enrollment could result in administrative concerns for Trump Accounts, such as identifying a responsible party with respect to a given Trump Account. Therefore, the Council suggests that Treasury and the IRS request additional comments on the implementation of an automatic enrollment program for Trump Accounts.

Trump Account Impacts on Public Benefits Programs

The Council's members see the value of Trump Accounts and the economic impact qualified general contributions could have on financial outcomes for account beneficiaries. However, Trump Accounts are only one piece in a broader picture of financial support for everyday Americans. Our members have expressed concern regarding unintended economic consequences of general funding contributions when viewed in the broader picture of a family's financial needs. Specifically, our members may be less willing to make a general funding contribution if an account beneficiary's Trump Account could disqualify that account beneficiary from other needed financial assistance programs, particularly given that Trump Accounts may not be accessed by the account beneficiary until after the growth period and, then, only to the extent (and with the same penalties) that the account beneficiary could access a traditional IRA. The Council requests guidance on whether an account beneficiary's Trump Account will be considered in determining the account beneficiary's family's eligibility for need-based assistance programs, such as Federal Student Aid (FAFSA), Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF). To the extent Trump Accounts may be considered by these or similar programs, the Council requests guidance on the parameters of such consideration.

Conclusion

Thank you for considering this input as part of the rulemaking process. To discuss the Council's recommendations in further detail or to explore options of how to collaborate with the philanthropic sector at large, do not hesitate to contact the Council's Public Policy team at govt@cof.org.