

Comparing Charitable Options

Features	Our Donor Advised Fund	Supporting Organization	Private Foundation
Start-up Considerations	Simple agreement, can be set-up immediately	Though it has its own tax ID number, each supporting organization is covered under the umbrella of the community foundation for maximum benefit. Cost is several thousand dollars for legal fees, can take several months to set up	Must incorporate as a nonprofit or create trust and apply to IRS for tax-exempt status. Cost is several thousands of dollars. Can take several months to establish
Personalized Services	Expert staff available to support your philanthropic goals, help define strategy, engage extended family, assess the effectiveness of grantees and more	Expert staff available to support your grantmaking and philanthropic goals, help define strategy, engage extended family, assess the effectiveness of grantees and more	Board must arrange and support all grantmaking. Any additional support must come from hired or volunteer staff that must be managed or directed
Investments	Donor selects from five pools to invest in; community foundation selects investment managers. Donor may suggest an independent manager (minimums apply)	Donor and community foundation work together to appoint board; community foundation appoints a majority. Board controls investment strategy and may also select managers	Donor appoints board or trustees, who control investments
Grantmaking	Donor recommends grants to qualified nonprofit organizations	Donor and community foundation work together to appoint board; community foundation appoints a majority. Board controls grantmaking but community foundation performs all due-diligence and back office work	Donor appoints board or trustees, who control grantmaking and must make sure grant recipients are qualified non-profits
Tax Advantages	Cash: up to 50 percent of adjusted gross income; publicly traded securities; fair market value up to 30 percent of adjusted gross income	Cash: up to 50 percent of adjusted gross income; publicly traded securities; fair market value up to 30 percent of adjusted gross income	Cash: up to 30 percent of adjusted gross income; publicly traded securities; fair market value up to 20 percent of adjusted gross income
Distribution Requirements	None	None	5 percent of assets annually
Tax Status	Public charity as a fund under the community foundation's public charity status	Public charity - as a separate 501(c) (3) organization under Section 509(a)(3)	Private charity - as a separate 501(c) (3) organization under Section 509(a)
Taxes and Administrative Requirements	None, part of the community foundation	Form 990 filing and audit is done under the community foundation	Must independently perform financial and administrative services or hire staff; annual tax return and reporting required. Excise tax of up to 2% of net investment earnings, other taxes may apply
International Grants	Allowed	Allowed	Allowed
Continuity	Donor may name one generation of successor advisor(s) to the fund	May continue for future generations	May continue for future generations
Privacy	Names of individual donors can be confidential and grants can be made anonymously	Officers, directors and trustees listed in Form 990	Must file detailed public tax returns on grants, investment fees, staff, salaries, etc.