

# Donor Advised Fund and Private Foundation Comparison



<i>Set-Up and Annual Maintenance</i>	<b>DONOR ADVISED FUND</b>	<b>PRIVATE FOUNDATION</b>						
<b>Timing</b>	Immediate	Several months to incorporate and receive tax exempt status						
<b>Start-Up Costs</b>	No start-up costs	Significant legal and accounting start-up costs (\$3,000+)						
<b>Minimum to Establish</b>	\$10,000	Typically \$5-7 million or more to justify set-up and administrative expense						
<b>Administrative Fees</b>	<table border="0"> <tr> <td>Endowment (Long-term Investment Pool)</td> <td>0.8% on first \$500,000 0.6% on next \$500,000 0.4% on next \$500,000 0.2% on next \$500,000 0.1% on excess value</td> </tr> <tr> <td colspan="2">.....</td> </tr> <tr> <td>Nonpermanent (Short-term Investment Pool)</td> <td>2.0% of grants distributed with \$500 minimum</td> </tr> </table>	Endowment (Long-term Investment Pool)	0.8% on first \$500,000 0.6% on next \$500,000 0.4% on next \$500,000 0.2% on next \$500,000 0.1% on excess value	.....		Nonpermanent (Short-term Investment Pool)	2.0% of grants distributed with \$500 minimum	Typically in the range of 2.5-4%; must file annual tax returns, conduct independent audit, manage and administer all functions
Endowment (Long-term Investment Pool)	0.8% on first \$500,000 0.6% on next \$500,000 0.4% on next \$500,000 0.2% on next \$500,000 0.1% on excess value							
.....								
Nonpermanent (Short-term Investment Pool)	2.0% of grants distributed with \$500 minimum							
<b>Investment, Accounting, and Tax Returns</b>	As part of the CFGFW portfolio, the Foundation manages investments, accounting, and files annual tax returns. With a balance of \$250k, the donor may choose to retain their own investment manager with approval from the Investment Committee.	Trustees must perform, contract, or hire staff for these services						

## *Gift Deductibility*

<b>Cash Gifts</b>	50% of AGI; fair market value	30% of AGI; fair market value
<b>Publicly-Traded Securities</b>	30% of AGI; fair market value	20% of AGI; fair market value
<b>Closely-Traded Stock or Real Estate</b>	30% of AGI; fair market value	20% of AGI; fair market value

## *Other Considerations*

<b>Excise Taxes</b>	None	1-2% of net investment income annually
<b>Annual Grant Distribution Requirement</b>	Not percentage based, per the CFGFW inactive fund policy	Must distribute 5% of net assets value annually, regardless of earnings
<b>General and Grant Administration</b>	Managed by CFGFW and access to expert staff, if desired	Trustees must perform, contract of hire staff for these services
<b>Privacy and Recognition</b>	Up to each donor, individual fund assets are confidential	Must file detailed and public tax returns on all grants, investments, fees, trustee names, etc.
<b>Control</b>	Donor recommends grants and investments	Donor family has complete control, subject to self-dealing rules
<b>Governance and Succession</b>	Unlimited succession planning; ability to appoint advisory Board and successors	Unlimited succession planning; Board appointment decided by donor family