

Donor advised fund or private foundation?

There is a variety of reasons to choose a donor advised fund (DAF) over a private foundation. DAFs can be established very quickly, with minimal costs. Once established, the Community Foundation handles all the administrative work, including managing investments, recordkeeping, tax receipting and grant administration. This allows you to focus on your charitable goals.

	Private Foundations	Our Donor-Advised Funds
Maximum Tax Benefits	No	Yes
AGI Tax Deduction Limitation – Cash	30%	60%
AGI Tax Deduction Limitation – Long-Term Capital Gain Property (Publicly Traded Stock, Closely Held Stock and Real Estate)	20%	30%
Gifts of Qualified Appreciated Securities (i.e., Publicly Traded Stock)	Fair Market Value Deduction	Fair Market Value Deduction
Gifts of Real Estate or Closely Held Stock	Cost Basis Deduction	Fair Market Value Deduction
Privacy/Confidentiality	No, Disclosure of IRS Form 990PF Is Required	Yes, Confidentiality Maintained
Excise Taxes on the Sale of Highly Appreciated Gifts	Yes	No
Annual Excise Tax Payments	1-2% of Net Income and Net Realized Gains	None
Custom Investment Program for Each Charitable Entity or Fund	Yes	Yes, Financial Advisor Program*
Ease and Cost of Establishing Charitable Entity or Fund	Complex Legal Expenses and IRS 1023 Application Fees and Expenses	Simple, No Cost, No Minimums to Establish
Annual Minimum Distribution Requirement	5%	None
Personal Service, Non-profit Research and Customized Giving Plan	No	Yes