

Comparison of a Donor Advised Fund to a Private Foundation

Points to Consider	Donor Advised Fund	Private Foundation
Legal identity	Component fund of DCF	Separate nonprofit entity
Tax status	Public charity	Private foundation
Tax on investment income	None	1%-2% of the net investment income
Payout requirement	None	Grants must equal 5% of fund balance annually.
Tax deduction limits for gifts of cash	60% of AGI	30% of AGI
Tax deduction limits for gifts of stock or real property	30% of AGI	20% of AGI
Administration	All record keeping and accounting carried out by DCF	Detailed annual filing with IRS
Grantmaking expertise	DCF broad community expertise and assistance to review and monitor proposals	Your foundation trustees and professional staff, if any (unusual for a small foundation)
Investment management	Various options including DCF's pooled investment portfolio as well as our Charitable Partners Program	Investment management responsibility rests with the private foundation.
Control	You or your designated fund advisors recommend grants.	Foundation trustees have complete control over distributions and responsibility for asset management.
Cost	No cost to establish; modest administrative fee that is reduced as fund grows	Significant start-up costs. Annual operating costs include legal and accounting fees, insurance, office space, staff and other expenses.