

# Donor Advised Funds vs. Private Foundations

Donor advised funds are a simple and cost-effective alternative to private foundations. We handle the administrative work, while you make the grants so you can Impact Today and Transform Tomorrow!



	Donor Advised Fund at CF	Private Foundation
Legal Entity / Tax Status	<ul style="list-style-type: none"> <li>• Component fund at CF</li> <li>• Public charity</li> </ul>	<ul style="list-style-type: none"> <li>• Separate nonprofit entity</li> <li>• Private charity</li> </ul>
Donor Involvement	<ul style="list-style-type: none"> <li>• Donor recommends grants to nonprofits</li> <li>• CF approves request</li> </ul>	<ul style="list-style-type: none"> <li>• Donor appoints board to oversee grantmaking decisions</li> </ul>
Minimum Distribution / Grantmaking Support	<ul style="list-style-type: none"> <li>• No minimum distribution</li> <li>• Local expertise can help identify and assess grant recipients, provide input on community needs, and verify nonprofit status of groups</li> </ul>	<ul style="list-style-type: none"> <li>• Required to 5% distribution of net asset value annually</li> <li>• Researches and evaluates its own grants</li> </ul>
Administrative Costs / Minimum Contribution	<ul style="list-style-type: none"> <li>• Zero start up costs; 1% annual fee based on the daily average fund balance; CF provides back office support</li> <li>• \$10,000 fund minimum</li> </ul>	<ul style="list-style-type: none"> <li>• Thousands of dollars for legal and accounting expenses and filing fees</li> <li>• Typically millions of dollars</li> </ul>
Privacy & Reporting	<ul style="list-style-type: none"> <li>• Included as part of CF's annual Form 990</li> <li>• Donor assets and grant activity are listed as the CF's activity, and kept completely anonymous</li> </ul>	<ul style="list-style-type: none"> <li>• Must file an annual Form 990-PF</li> <li>• Asset and grant information is public through Form 990</li> </ul>
Income Tax Deductions for:	<ul style="list-style-type: none"> <li>• Cash</li> <li>• Appreciated Stock</li> <li>• Real Estate and Closely Held Stock</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 60% AGI</li> <li>• Fair market value up to 30% of AGI</li> <li>• Fair market value up to 30% of AGI</li> </ul>
		<ul style="list-style-type: none"> <li>• Up to 30% AGI</li> <li>• Fair market value up to 20% of AGI</li> <li>• Cost basis up to 20% of AGI</li> </ul>

Questions? Call us to learn more about setting up a fund at your local community foundation!

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