



*Donor Advised
Fund*

VS.

*Private
Foundation*

<i>Setup time and procedure</i>	Simple agreement; in most cases, can be set up in as little as one day	May take several weeks or months and will almost always require specialized legal and accounting professionals
<i>Startup costs</i>	No startup costs; modest annual fee after establishment	Will incur substantial legal, accounting and possibly operational startup costs
<i>Tax deductibility</i>	Cash gifts are deductible up to 60% of adjusted gross income (AGI) Gifts of long-term appreciated securities, real estate and closely held stock are deductible up to 30% of adjusted gross income	Cash gifts are deductible up to 30% of adjusted gross income Gifts of long-term appreciated securities, real estate and closely held stock are deductible up to 20% of adjusted gross income
<i>Excise taxes</i>	No excise taxes	1-2% annual excise tax on net investment income after establishment
<i>Required payout</i>	No required payout under current law	Must distribute 5% of net assets annually, even if the Foundation's investments don't earn 5%
<i>Incorporation and tax status</i>	Automatically covered under the Community Foundation's public charity status	Creators must apply to IRS for private foundation tax-exempt status
<i>Privacy</i>	Advisors may choose to make grants anonymously; no required public disclosure	Required to file detailed tax returns that are open for public inspection and are compiled in grant seeker directories.
<i>Investment, accounting, audit and tax returns</i>	CFMV handles all investments and accounting, files annual tax returns, and has an annual independent audit	Creators must perform, contract or hire staff for investment, accounting, audit and tax return services
<i>Grantmaking</i>	Advisors have access to professional foundation staff to help identify and assess grantees, make payments, and monitor grants	Requires significant time to support a separate grantmaking and monitoring structure; creators bear the expense of funding foundation staff

While this compares Donor Advised Funds held by the Community Foundation, there are other fund types available and that may be more appropriate to a donor's unique circumstances. Contact Shari Harrell (SHarrell@cfmv.org) or Rachael Chacon (RChacon@cfmv.org) for more information.