



# CONSIDER THE PHILANTHROPY OPTIONS



## COMMERCIAL DONOR ADVISED FUND

## PRIVATE FOUNDATION

<b>Start-Up Incorporation Tax Exemption</b>	No set-up fees Easy & inexpensive to create Fund can be established in one brief meeting or online	No set-up fees Easy & inexpensive to set up Fund can be established in one brief meeting or online	\$5-\$10,000 in professional fees 6-12 months to incorporate, create bylaws & obtain 501(c)(3) status from IRS; decide charitable trust or non-stock corporate model
<b>Asset Size</b>	Grants when endowed assets are \$25,000+	Initial contribution requirements vary by commercial provider.	Typically established with assets of \$7-10+ million
<b>Required Payout</b>	No annual distribution requirements; can accumulate toward sizeable grants	Varies	5% annual distribution mandated
<b>Excise Taxes</b>	No excise tax on income	No excise tax on income	Excise tax of up to 1.39% of annual net investment income
<b>Tax Treatment of Gifts:</b>	Donors enjoy tax advantages:	Donors enjoy tax advantages:	Tax treatment is not as favorable:
<b>Cash gifts</b>	Deduction up to <b>60%</b> of adjusted gross income for cash contributions and wire transfers	Deduction up to <b>60%</b> of adjusted gross income for cash contributions and wire transfers	Deduction up to <b>30%</b> of adjusted gross income for cash contributions and wire transfers
<b>Publicly traded securities, closely held stock, &amp;/or real estate</b>	Deduction up to <b>30%</b> of adjusted gross income for long-term appreciated property generally allowed; pre-qualification and consultation w/tax advisor recommended	Deduction up to <b>30%</b> of adjusted gross income for long-term appreciated property generally allowed; acceptance of certain assets may require pre-qualification; consultation w/tax advisor recommended	Deduction up to <b>20%</b> of adjusted gross income for long-term publicly traded appreciated securities generally allowed; consultation with tax advisor recommended
<b>Gifts of real property</b>	Acceptance of complex gifts of real property allowed; deduction based on FMV; pre-qualification recommended. The IRS classifies cryptocurrency donations as property	Acceptance of complex gifts of real property require pre-qualification & subject to limitations; deduction of FMV	Deduction of lower of cost basis or market value for gifts other than cash or publicly traded securities
<b>Liability, Insurance &amp; General Administration</b>	Handles financial & administrative matters: <ul style="list-style-type: none"> <li>investments &amp; accounting</li> <li>legal &amp; compliance filings</li> <li>annual independent audit</li> <li>annual tax return</li> </ul>	Handles financial & administrative matters: <ul style="list-style-type: none"> <li>investments &amp; accounting</li> <li>legal &amp; compliance filings</li> <li>annual independent audit</li> <li>annual tax return</li> </ul>	Perform, contract, or hire personnel for these services
<b>Investment Manager Selection</b>	Portfolio choices, medallion investment partner opportunities & separately managed accounts, subject to minimum balances	Most have portfolio choices; some have separately managed account options	Perform, contract, or hire investment personnel
<b>Investment Management Fees</b>	Varies	Varies	Varies
<b>Annual Costs</b>	Annual administrative fees @1% of fund balance; less with larger endowments	Annual administrative fees vary, typically less than 1%	Annual administrative fees are typically much greater than 1% of fund balance
<b>Privacy</b>	Anonymity, if desired	Anonymity, if desired	A private foundation's tax return, which includes the names of its contributors, is public record
<b>Family Involvement</b>	Donor can involve family & heirs in charitable giving	Donor can involve family & heirs in charitable giving	Donor can involve family & heirs in charitable giving
<b>Fund Establishment</b>	Can be established during lifetime, &/or through trust, charitable gift annuity, or estate	Can be established during lifetime, &/or through trust or estate	Can be established during lifetime, &/or through trust or estate
<b>Philanthropic Services &amp; Grant Administration</b>	<ul style="list-style-type: none"> <li>In-depth knowledge of community needs &amp; issues</li> <li>Philanthropy planning</li> <li>Verifies tax-exempt status of grantees</li> <li>Smart grantmaking support: due diligence, monitoring, impact, evaluation</li> </ul>	Verifies tax-exempt status of grantees	Perform, contract, or hire personnel for these services