

	Donor Advised Fund (at Community Foundation)	Supporting Organization (at Community Foundation)*	Private Foundation
Control	Donor recommends to Community Foundation Board grants to be made from the fund. The Foundation ensures the charitable status of grantees.	<ul style="list-style-type: none"> <li>Three Types               <ol style="list-style-type: none"> <li>Controlled by charity; donor names minority of board which controls investments and grant making (most common).</li> <li>Operated in connection with charity.</li> <li>Controlled in connection with charity (most rare).</li> </ol> </li> <li>Board of S.O. controls investments and grant making.</li> </ul>	Donor retains control of board, investments, and grant making subject to IRS regulations.
Tax Deductibility	<ul style="list-style-type: none"> <li>Cash: 50% of Adjusted Gross Income.</li> <li>Property: 30% of Adjusted Gross Income.</li> <li>Appreciated property such as real estate and closely-held stock is deductible at fair market value.</li> <li>Can accept a variety of assets, including encumbered property.</li> </ul>	<ul style="list-style-type: none"> <li>Cash: 50% of Adjusted Gross Income.</li> <li>Property: 30% of Adjusted Gross Income.</li> <li>Appreciated property such as real estate and closely-held stock is deductible at fair market value.</li> <li>Can accept a variety of assets, including encumbered property.</li> </ul>	<ul style="list-style-type: none"> <li>Cash: 30% of Adjusted Gross Income.</li> <li>Property: 20% of Adjusted Gross Income.</li> <li>Deductibility of appreciated property other than publicly traded securities (such as real estate and closely-held stock) is based on cost basis, not fair market value.</li> <li>Encumbered property, or other property with “self-dealing” implications, cannot be contributed to a private foundation.</li> </ul>
Excise Taxes	Exempt from excise tax.	Exempt from excise tax.	Excise taxes (Section 4940-4945) up to 2% on net investment income.
Investments	Donor benefit from Foundation’s professionally-managed investment pool.	Can hold assets that do not conform to Community Foundation’s investment policy. (e.g. 100% of “for profit” subsidiary).	Must divest excess business holdings (closely-held stock) within five years or pay excise tax penalty.
Continuity	Donor may name successor advisor(s), including future generation, to the fund.	Can continue to future generations.	Can continue to future generations.
Administration	Simple set-up and administration: <ul style="list-style-type: none"> <li>Can establish in one day.</li> <li>Total anonymity available, if desired.</li> <li>Foundation provides investment expertise, accounting, and financial reporting.</li> </ul>	More Administration: <ul style="list-style-type: none"> <li>Board minutes</li> <li>Tax return (simple form 990)</li> </ul>	Burdensome administration: <ul style="list-style-type: none"> <li>Accounting</li> <li>Record keeping</li> <li>Tax return (form 990-PF)</li> <li>Lack of privacy (form 990-PF posted on the Internet)</li> </ul>
Staff	Full support of Community Foundation staff with expertise in grant making.	Can employ staff, subject to reasonable compensation guidelines set by IRS. Access to Community Foundation staff (for investment, grant making expertise).	Can employ staff, subject to reasonable compensation guidelines set by IRS.
Start-up Costs	None	Less than a private foundation.	Legal and accounting fees.
Can other people contribute and receive a tax deduction?	Yes	Yes	Yes, with limitations.
Converting between entities	Can convert <u>to or from</u> a supporting organization, or <u>from</u> a private foundation.	Can convert <u>to or from</u> a donor-advised fund, or <u>from</u> a private foundation.	Can convert <u>to</u> a supporting organization or donor-advised fund.

This comparison is general and not intended to serve as legal advice.

\*Any public charity can serve in this capacity.