



Compare a Donor Advised Fund

	Donor Advised Funds	Supporting Organizations	Private Foundations
Privacy	Names of individual donors can be confidential	Must file detailed and public tax returns on grants, investment fees, trustee fees, staff salaries, etc.	Must file detailed and public tax returns on grants, investment fees, trustee fees, staff salaries, etc.
Tax Deduction Limits: Cash¹	50% of adjusted gross income	50% of adjusted gross income	30% of adjusted gross income
Tax Deduction Limits: Stock/ Real Property¹	30% of adjusted gross income	30% of adjusted gross income	20% of adjusted gross income
Excise Taxes	None	None	Excise tax of 1-2% of net investment income annually
Start Up Fees	Typically None – Charity Covers Fees ²	Legal fees and other start-up costs can add up	Legal fees and other start-up costs can add up
Start Up Time	Minimal – a few days	Can take between 3 weeks to 3 months	Usually takes several weeks and often a few months
Ongoing Costs	Varies with level of services but typically less than Supporting Organizations or Private Foundations	Varies with choice of SO board and level of services required – typically less than a private foundation	Varies with choice of board and level of services required – must file annual tax returns, conduct independent audit, manage and administer all functions
Required Payout	No annual distribution required	None, but must demonstrate ongoing support for named public charities or causes	Must expend 5% of net assets value annually, regardless of how much the assets earn
Gift Valuation	Fair market value	Fair market value	Fair market value for cash and publicly traded stock; Cost basis for gifts of closely held stock or real property
Governance	Donor(s) may name advisors to recommend grants and investments; Donors may also name successors to the account, and ensure a continuing legacy	Opportunities for board selection and generational succession. Majority of board must at all times be independent, non-family trustees typically appointed by named public charity	Opportunities for board selection, training and bringing in the next generation are greater; No restrictions regarding who serves on the board.
Perpetuity	Can exist in perpetuity	Can exist in perpetuity	Can exist in perpetuity
Control	Donor may recommend grants and investments however charity makes the final decisions	Donor may recommend grants and investments but the parent organization has significant input in all final decisions.	Donor family has complete control for all grant making and investment decisions, subject to self-dealing rules

(1) Unused deductions can be carried forward up to five (5) additional years.

(2) Fees may apply for contributions of non-marketable securities.