

Comparison of Donor Advised Fund and Supporting Organizations of the Foundation and Private Foundations

	Donor Advised Fund	Supporting Organization	Private Foundation
Creation	Established by agreement with the Foundation.	Nonprofit corporation created with assistance from the Foundation.	Nonprofit corporation or trust organized as a private foundation.
Tax-Exempt Status	Shares 501(c)3 tax-exempt status of the Foundation as public charity	509(A) public charity	Must apply for private foundation tax-exempt status from the IRS.
Costs (Start-Up And Annual)	No cost to donor	Minimal start-up costs through collaboration with the Foundation; annual filing fees assessed to the Supporting Organization.	Similar to corporate start-up requiring substantial legal, insurance, accounting and annual operational costs.
Recommended Size	\$25,000 or more	\$5 million or more	Substantial assets required.
Charitable Deductions	Tax deduction of up to 50% of adjusted gross income; maximum for donor allowed by law.	Tax deduction of up to 50% of adjusted gross income; maximum for donor allowed by law.	Tax deduction limited to 30% of adjusted gross income.
Donor Control	Advisor makes grant recommendations with final decision by the Foundation.	Donor may appoint members of the board of directors with the Foundation appointing the majority of the members.	Donor retains complete control over investments and grant making, subject to IRS requirements.
Payout Requirements	Grant recommendations may be made for up to 6%; no government required payout. Encourage 80% of distribution to support Hancock County	Spending policy determined at the establishment of the fund with a recommended payout of up to 6%; no government required payout.	Must pay out for charitable purposes at least 5% of its investment asset value regardless of annual income.
Annual Taxes	None	None	Generally income is tax exempt but subject to excise tax of up to 2% of net investment gain including net capital gains.
Annual Tax Filings & Returns	Reported as part of the Foundation annual reporting; donor lists are confidential.	Prepared and filed by the Foundation; donor lists are confidential.	Must be filed by the private foundation with required supporting schedules; donor lists are public information.
Investments	Fund assets are professionally invested through the Foundation.	Fund assets are professionally invested through the Foundation.	Must research and secure its own investment services.