



Findlay • Hancock County

The Community Foundation

Bridging Resources. Granting Opportunity.

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
Start-Up Costs	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
Minimum Size	\$25,000 or more	\$2 million or more recommended	\$5 million or more recommended
Charitable Deductions	Up to 60% of AGI* *Consult a tax advisor for more detailed discussion of deduction limitations	Up to 60% of AGI* *Consult a tax advisor for more detailed discussion of deduction limitations	Up to 30% of AGI* *Consult a tax advisor for more detailed discussion of deduction limitations
Donor Control	Advisor makes grant recommendations with final approval by the Foundation	Donor may appoint members of the board of directors with the Foundation appointing the majority of the directors. Board of directors makes all grants	Donor retains complete control over investments and grant making, subject to IRS requirements.
Annual Payout Requirements	Depending on DAF type, grant recommendations may be up to 4.5% or full balance of fund. No government required payout	Spending policy determined at the establishment of the fund with a recommended payout of up to 6%; no government required payout	Must pay out at least 5% of its investment asset value regardless of annual income
Annual Taxes	No	No	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