

POPULAR GIVING VEHICLES

A comparison of donor-advised funds, supporting organizations, and private foundations

ISSUE / FEATURE	DONOR-ADVISED FUNDS	SUPPORTING ORGANIZATIONS	PRIVATE FOUNDATIONS
Description of the donor's role and Governance	Donors have advisory privileges only. Ultimate control rests with the public charity.	Neither the donor nor a family member can control, directly or indirectly, more than 49% of the board, but the donor may participate in the selection of board members.	The donor family can control 100% of the board; however, after the donor's death, the board has control.
Control over grants and assets	The donor may recommend grants and investment options, but the public charity has ultimate control over decisions.	The donor may recommend grants and investments, but the board of the SO has ultimate control over decisions.	The board has complete control of all grants and investment decisions, subject to self-dealing rules.
Tax deduction limits for gifts of cash and publicly-traded securities	Cash: 50% of adjusted gross income Publicly-traded securities: 30% of adjusted gross income	Cash: 50% of adjusted gross income Publicly-traded securities: 30% of adjusted gross income	Cash: 30% of adjusted gross income Publicly-traded securities: 20% of adjusted gross income
Tax deduction limits for other non-liquid appreciated assets (long-term capital gain)	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Lesser of fair market value or the donor's basis in asset up to 20% of adjusted gross income
Excise taxes	None	None	Up to 2% of net investment
Distribution requirements	None	None	5% of foundation assets must be distributed annually
Start-up costs	None	Legal and accounting fees for incorporation, IRS filing, and other documents (+/- \$4,000)	Legal and accounting fees for incorporation, IRS filing and other documents (\$5,000 – \$20,000 ¹)
Ongoing administrative and management costs	It varies depending on the public charity providing the service... generally 1% per year or less.	Ongoing fees for accounting, legal and administrative advisors (\$5,000 – \$20,000 ¹) to oversee the assets, balance the books, pay the bills, keep the records and file the tax returns	Ongoing fees for accounting, legal and administrative advisors (\$5,000 – \$20,000 ¹) to oversee the assets, balance the books, pay the bills, keep the records and file the tax returns
Ability to employ people and pay salaries and benefits	No	Yes, subject to reasonable compensation limits; no to disqualified persons	Yes, subject to reasonable compensation limits
Ability to pay expenses for travel/other reimbursements	No	Yes, able to pay expenses but not able to reimburse expenses to disqualified persons.	Yes
Ability to make grants to non-exempt individuals	No	Yes, subject to the same requirements as grants to foreign charitable organizations	Yes, subject to the same requirements as grants to foreign charitable organizations
Anonymity of donor	Yes	No ²	No ²
Privacy	Complete privacy is available. DAF information is aggregated with other DAF information to maintain privacy, and an individual tax return is not required for each DAF.	The donor must file Form 990, which becomes a matter of public record and contains detailed information on grants, investment fees, salaries, etc. ²	The donor must file Form 990 which becomes a matter of public record and contains detailed information on grants, investment fees, salaries, etc. ²
Succession and Perpetuity	Can exist in perpetuity	Can exist in perpetuity	Can exist in perpetuity

¹ The creation of any legal entity, especially one that could last in perpetuity and/or involves irrevocable actions, requires the careful input and oversight of a competent attorney that has a thorough understanding of the donor's family and their giving goals and objectives.

² Combining this tool with a donor-advised fund (NCF Giving Fund) can achieve partial privacy and anonymity.

* Information in this chart is based on federal laws as of the date of this printing. These laws are subject to change and can affect the accuracy of this information.

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