



Compare Approaches to Giving

Donor Advised Fund, Commercial Fund & Private Foundation

Please consider the advantages of working through your Community Foundation to accomplish your charitable goals.

Establishment and Operation

	Donor Advised Fund at SRCF	Commercial Institution Gift Fund	Private Foundation
Recommended size	\$10,000 minimum	Varies	\$10 million recommended minimum to justify operating costs
Start-up and initial costs	None	None	All legal, accounting and filing fees
Ongoing administration and annual costs	2% annual fee (Step-down in fee with increased asset size)	Fees vary	All costs (legal, accounting, payroll, audit) are incurred by private foundation

Tax Considerations

	Donor Advised Fund at SRCF	Commercial Institution Gift Funds	Private Foundation
Tax status and filings	Qualifies under SRCF's public charity status; no filing necessary	Covered under nonprofit status of charitable subsidiary	Must file for private foundation tax-exempt status annually & keep current
Tax-Deductibility of Cash	Deduction up to 50% of adjusted gross income	Deduction up to 50% of adjusted gross income	Deduction limited to 30% adjusted gross income of
Tax-Deductibility of Appreciated Stock (held more than 1 yr.)	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% of adjusted gross income
Tax-Deductibility of Real Estate & Closely Held Stock (held more than 1 yr.)	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Cost basis up to 20% of adjusted gross income



Grantmaking Support and Requirements

	Donor Advised Fund at SRCF	Commercial Institution Gift Funds	Private Foundation
Grantmaking Support	<p>SRCF provides due diligence review and local expertise of grantees recommended by donor</p> <p>Research on specific nonprofits provided upon request</p>	<p>Most have no professional experience and offer minimum due diligence on grant recipients</p>	<p>Donor must establish and oversee all evaluation, monitoring & reporting procedures</p> <p>Subject to screening, evaluation & approval by board of trustees</p>
Payout Requirement	<p>None; grant recommendations of 4% encouraged but no government-required payout</p>	<p>Varies; many <u>require</u> annual minimum payout of 5%</p>	<p>Annual minimum payout of 5% of assets required</p>

Investment Management

	Donor Advised Fund at SRCF	Commercial Institution Gift Funds	Private Foundation
Investments	<p>Fund assets professionally invested through SRCF</p> <p>No donor control of investments</p> <p>Investment fees netted from yield (average 0.73%)</p>	<p>Fund offers approved investment choices.</p> <p>Fees vary and range from .30% to 2.0%</p>	<p>Must secure and oversee own investments</p> <p>Investment management fees the responsibility of the private foundation</p>

Donor Involvement and Privacy

	Donor Advised Fund at SRCF	Commercial Institution Gift Funds	Private Foundation
Donor Involvement	<p>Donor recommends grants to qualified nonprofits</p> <p>Grants are approved by SRCF</p>	<p>Donor recommends grants to qualified nonprofits</p> <p>Grants are approved by trustees of the gift fund</p>	<p>Donor appoints initial board of a nonprofit corporation Board controls investment & grantmaking</p> <p>If organized as a trust, donor designates trustee to control these functions</p>
Privacy and Confidentiality	<p>Fund may be named or anonymous</p> <p>Contribution information may be kept confidential</p>		<p>Detailed public disclosure annually from posting of IRS 990PF on internet</p>

Please contact your Community Foundation staff at (530) 244-1219 for more information



1335 Arboretum Drive, Suite B Redding, CA 96003
 Shasta Phone 530.244.1219 ▪ Siskiyou Phone 530.925.3313 ▪ Fax 530.244.0905 ▪ Email info@shastarcf.org ▪ www.shastarcf.org
 Confirmed in compliance with National Standards for U.S. Community Foundations