

PLANNING

FOUNDATION FUND OR PRIVATE FOUNDATION

| | DONOR ADVISED FUND | PRIVATE FOUNDATION |
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| EASE OF CREATION | Execution of a simple Fund agreement is all that is required. | Involves creation of a new organization, application for tax-exempt status and expenditure of time and money. |
| TAX BENEFITS | <p>Taxpayer can deduct up to 50% of adjusted gross income for cash gifts.</p> <p>Full value of gifts of appreciated real property is deductible up to 30% of adjusted gross income. Consult your tax advisor for your own personal tax implications.</p> <p>Gifts of appreciate securities to a Fund allow the donor to use market value when establishing the deduction.</p> | <p>Cash gift deduction is limited to 30% of adjusted gross income.</p> <p>Only the cost basis of certain types of appreciated property is deductible, and deduction is limited to 20% of adjusted gross income.</p> |
| ACCOUNTING AND TAX PREPARATION | No separate tax return to file and no excise tax to pay. | Detailed reporting required and a 2% federal excise tax (1% in some cases) must be paid on net investment income. |
| INVESTMENTS | Certain types of investments prohibited, and the foundation may not own more than 20% equity interest in a business. | Certain types of investments prohibited, and the foundation may not own more than 20% equity interest in a business. |
| DISTRIBUTIONS | No minimum payout requirement. | Approximately 5% of net asset value must be paid out for charitable purposes annually. |
| ANONYMITY | Donors' names are revealed only to the IRS. | Names and addresses of contributors must be made available to the public. |
| PERPETUITY | The objectives detailed in your Fund Agreement are overseen in perpetuity by community leaders. | Over time, oversight will change and your wishes may be forgotten. |
| STAFFING | Full-time professional staff can screen giving opportunities and community needs with maximum convenience, at a fraction of the cost. | Full-time staff can be costly and must adhere to complex federally mandated self-dealing rules. |