



A Comparison: Donor Advised Funds, Supporting Organizations and Private Foundations

CFSC = Community Foundation of Shelby Co
AGI = Adjusted Gross Income
FMV = Fair Market Value

	Donor Advised Fund at the Community Foundation	Supporting Organization at the Community Foundation	Private Foundation (PF)
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Set-Up Considerations

Costs	None	None	Approx. costs \$5,000-\$10,000 for ongoing accounting and record keeping.
Time Frame	Immediate	Generally 1-2 months	Generally 1-2 months
Minimum Contribution	\$25,000	\$2 million	\$5 million recommended to justify start-up and maintenance costs.

Income Tax Deductions

Cash	Deduction of up to 50% of AGI	Deduction of up to 50% of AGI	Deduction of up to 30% of AGI
Publicly Traded Securities	FMV deduction of up to 30% of AGI	FMV deduction of up to 30% of AGI	FMV deduction of up to 20% of AGI
Closely-Held Stock/ Real Estate	FMV deduction of up to 30% of AGI	FMV deduction of up to 30% of AGI	Deduction is limited to the donor's cost basis or FMV, whichever is lower, up to 20% of AGI

Administration

Administrative Services	Services covered by an annual fee (varies by value of charitable fund), cost shared by all funds.	Services covered by an annual fee of 1% of FMV of assets.	Performed by trustees, officers, or hired staff
Investment Management	Five investment pools monitored and evaluated by investment committee. Fee of .75%.	Option to invest in investment pools or to select other investment managers. Fees paid to CFSC or investment manager.	Responsibility of trustees, professional advisors or hired staff. Fees paid to investment manager.

Tax Considerations

Tax Status	501(c)(3) public charity status. No additional filings needed.	501(c)(3) public charity status established as a new entity.	501(c)(3) private foundation status established as a new entity.
Tax Return & Filings	Not applicable. Covered by CFSC's 990 tax form. Cost paid by CFSC	Returns and filings prepared by CFSC CPA. Cost paid by CFSC.	Performed by trustees, officers, staff or hired professionals.
Private Foundation Excise Taxes	Not applicable.	Not applicable.	Various excise taxes imposed for failure to meet payout requirement and for engaging in certain prohibited transactions.

Payout Requirement

No required payout.	No required payout.	Annual payout of at least 5% of foundation assets.
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Donor Involvement

Donor recommends grants to CFSC for distribution to qualified 501(c)(3) organizations. CFSC handles grant administration.	Supporting Organization board has control over grantmaking and investment decisions. Family members may serve on board. CFSC appoints a majority of board.	Donor appoints board to oversee grantmaking and investment decisions.
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Grantmaking Support

CFSC can provide information on charitable organizations and needs and verifies 501(c)(3) status of recipient organizations.	CFSC can provide information on charitable organizations and needs and verifies 501(c)(3) status of recipient organizations.	Performed by trustees or hired staff.
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