NATIONAL CENTER FOR FAMILY PHILANTHROPY

Vehicle Comparison Options

FOR FAMILY PHILANTHROPIES

		Direct giving	Donor-Advised Fund	Private Foundation	Supporting Organizations
Management and Other Factors	**Control of grants and assets**	Complete control: donor may specify terms, timing, and recognition for gift; once donated, however, donor has no control of funds	Donor may recommend grants and investments, but the parent organization makes all final decisions.	Donor family has complete control of all grantmaking and investment decisions, subject to self-dealing rules	Donor family may recommend grants and investments, but the parent organization has significant input in all final decisions
	Required payout	n/a	None	Must expend 5% of net asset value annually, regardless of how much the assets earn.	None, but must demonstrate ongoing support for named public charities or causes
	Privacy	Direct gifts may be anonymous, if desired, although many grantees prefer to acknowledge major donors whenever possible.	Names of individual donors can be kept confidential if desired.	Must file detailed and public tax returns on grants, investment fees, trustee fees, staff salaries, etc.	Must file detailed and public tax returns on grants, investment fees, trustee fees, staff salaries, etc.
	Governance and succession	n/a	Some parent organizations encourage the continuance of donor advisors from one generation to the next; many do not. The IRS is still considering succession issues.	Opportunities for board selection, training, and bringing in the next generation are greater. No restrictions regarding who serves on the board.	Opportunities for board selection, training, and bringing in the next generation. Majority of board must at all times be independent, non family trustees typically appointed by named public charities.

	Perpetuity	n/a	Most donor-advised funds revert to the parent organization after the original donors or succeeding generation passes away	Foundations can exist in perpetuity.	Supporting organization can exist in perpetuity
	Start up costs	n/a	Minimal and often covered by parent organization	Legal fees and other start-up costs can be substantial	Legal fees and other start-up costs can be substantial
	Ongoing administrative and management cost	n/a	Varies with parent organization and level of services; typically less than SOs or PFs	Varies with choice of board, and levels of services required	Varies with choice of SO board, and level of services required. (typical range: 1/2 % to 2 % of assets per year, depending on size of SO)
	Tax deduction limits for gifts of cash*	50% of adjusted gross income	50% of adjusted gross income	30% of adjusted gross income	50% of adjusted gross income
	Tax deduction limits for gifts of stock or real property*	30% of adjusted gross income	30% of adjusted gross income	20% of adjusted gross income	30% of adjusted gross income
	Excise taxes	n/a	None	Excise tax of 1% to 2% of net investment income annually	None
	Valuation of gift	Fair market value	FMV	FMV for publicly traded stock; cost basis for all other gifts, including gifts of closely held stock or real property	FMV