

DONOR ADVISED FUNDS VS. PRIVATE FOUNDATIONS



POINT OF COMPARISON	DONOR ADVISED FUND AT CFU	PRIVATE FOUNDATION
CREATION	Agreement with CFU	Establish nonprofit corporation or trust; File for tax-exempt status as a private foundation
START-UP TIME	Immediate	Generally 6-12 months
CHARITABLE DEDUCTIONS FOR CASH GIFTS	Up to 60% of Adjusted Gross Income per year	Up to 30% of Adjusted Gross Income per year
CHARITABLE DEDUCTIONS FOR GIFTS OF STOCK OR REAL PROPERTY	Up to 30% of Adjusted Gross Income per year	Up to 20% of Adjusted Gross Income per year
VALUATION OF GIFTS	Fair Market Value	Fair market value for public stock; cost basis for closely-held stock or real property
REQUIRED ANNUAL PAYOUT	None	Must expend 5% of net asset value annually for charitable purposes, regardless of how much the assets
OPERATING COSTS	105 basis points (1.05%) or less, including fund management and investment costs	Annual administration, accounting, audit, and legal costs; generally 3-8% per year
INVESTMENTS	CFU manages, with advisory recommendations from the donor	Must research and manage own investments, or retain an asset manager at an additional fee
PRIVACY	Donor may request anonymity	Must file public tax returns with information on grants, investment fees, etc.