

DONOR-ADVISED FUNDS & PRIVATE FOUNDATIONS: A COMPARISON



	Donor-Advised Fund	Private Foundation
Annual Fees	Approximately 2%	Extensive annual administrative, legal and investment costs
Initial Gift/ Balance Minimum	\$5,000	\$5-10 million recommended
Tax Deductions	Typically more favorable (for example, 60% of AGI on cash gifts)	Typically less favorable (for example, 30% of AGI on cash gifts)
Annual Tax Filings & Returns	No additional reporting required, part of ACF 990	Private foundation staff must file 990 annually
Record Keeping/ Accounting	Provided by ACF staff	Private foundation staff must provide
Administrative Support	Provided by ACF staff	Private foundation staff must provide
Payout/Grants Required	No	Yes – at least 5%
Annual Taxes	No	Yes –1.39%
Governance & Oversight	ACF's board of directors	Private foundation's own board of directors
Grantmaking Strategy Assistance	ACF can provide direction and insight and can even connect donors directly with nonprofits, if desired by the donor	Private foundation must do their own due diligence or hire staff to manage
Confidentiality	Yes – donor can choose anonymity both in giving and grantmaking	No
Donor Control of Distributions	Donors can recommend grants to any 501(c)(3) public charity in the country and will be carried out with ACF board approval	Donors can recommend grants to organizations or individuals, subject to private foundation's board
Investments	ACF has a record of long-term growth by top-tier investment managers, but donors can request for their advisors to continue managing their assets if they meet certain criteria	Private foundation staff must oversee investments; management can be costly depending on assets

LET'S GET STARTED

We're happy to talk with you and your advisors about your options. If you'd like more information about the private foundation conversion process, please contact one of our experienced staff members.

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