



A Comparison of Philanthropic Vehicles

The following outlines the major differences between donor-advised funds, support organizations and private foundations. Depending on your donor's interests and needs, this chart can help assist them in determining the most appropriate charitable giving vehicle.

	Donor-Advised Funds	Supporting Organizations	Private Foundations
Start-Up Costs	Typically none (often covered by sponsoring charity); Can be established immediately	Legal fees and other start-up costs can be substantial; Can take anywhere between three weeks to 12 months to create	Legal fees and other start-up costs can be substantial; Typically takes several weeks, and often a few months to create
Ongoing Administrative and Management Fees	Varies with sponsoring charity and level of services; typically less than supporting organizations or private foundations	Varies with choice of SO board, and level of services required (typically less than a private foundation, depending on size of supporting organization)	Varies with choice of board, and level of services required; Must file annual tax returns, conduct independent audit, manage and administer all functions
Tax deduction limits for gifts of cash*	60% of adjusted gross income	60% of adjusted gross income	30% 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
Excise Taxes	None	None	Excise tax of 1% to 2% of net investment income annually
Valuation of gifts	Fair market value	Fair market value	Fair market value for cash and publicly traded stock; Cost basis for gifts of closely held stock or real property
Control of grants and assets	Donor may recommend grants and investments, but the sponsoring charity makes all final decisions	Donor may recommend grants and investments, but the parent organization has significant input in all final decisions	Donor family has complete control of all grantmaking and investment decisions, subject to self-dealing rules
Required payout	None	None, but must demonstrate ongoing support for named public charities or causes	Must expend 5% of net assets value annually, regardless of how much the assets earn
Privacy	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 & Succession	Donor(s) may name advisors to recommend grants and investments; Donors may also name successors to the account, and ensure a continuing legacy	Opportunities for board selection, and bringing in the next generation; Majority of board must at all times be independent, non-family trustees typically appointed by named public charity	Opportunities for board selection, training and bringing in the next generation are greater; No restrictions regarding who serves on the board
Perpetuity	Can exist in perpetuity	Can exist in perpetuity	Can exist in perpetuity

* Any unused deductions may be carried forward up to five (5) additional years.