

DONOR ADVISED FUND VS. PRIVATE FOUNDATION



Donor Advised Fund

Private Foundation

Establishment Cost

None to open; minimal annual fees. Paperwork can be done in a day.

Legal and administrative Fees connected to establishing a corporation in your state and applying to the IRS for private foundation status. Setup is often a 1-2 month process.

Tax Deductions

60% AGI deduction for cash
30% deduction for appreciated assets

30% deduction for cash
20% deduction for appreciated assets

Grantmaking Control

The donor can recommend grants to 501(c)3 public charities, local schools, or municipalities, but not to individuals. ACF takes on all due diligence related to grantmaking.

Donor has full control over grants to 501(c)3 public or private charities and individuals but is also responsible for all due diligence and legal compliance related to grantmaking activity.

Privacy

Donors can grant anonymously from their DAFs; the community foundation submits a form 990 but can keep individual donor records private.

Private foundations must submit IRS form 990-PF so that all contributions and grants are public record.

Record Keeping and Annual Expenses

ACF handles all record keeping and tax reporting. Our investment fees are low cost, and our supporting fee for the fund is 1-2%

The donor must coordinate with their board, all annual IRS filing and compliance. The private foundation assumes ongoing legal, accounting, investment management and any payroll expenses. In addition, there is a 1.39% annual fee on net investment income.

Legacy and Establishing Planned Gifts

Your fund is a profound legacy vehicle with access to free strategizing with ACF staff regarding your legacy, as well as coordination with your advisor on gifts from your estate and life-income gifts.

Donor is responsible for legal counsel and estate management and tax compliance in planned giving.

Governance

Adirondack Community Foundation manages all legal and governance issues, including compliance.

Donor is responsible for managing a board of directors.