

Popular Giving Vehicles

A comparison of donor-advised funds, supporting organizations, and private foundations

	DONOR-ADVISED FUND	SUPPORTING ORGANIZATION	PRIVATE FOUNDATION
TAX DEDUCTIONS	MOST	MOST	LEAST
What's my deduction for cash gifts?	Up to 60% adjusted gross income	Up to 60% adjusted gross income	Up to 30% adjusted gross income
For publicly traded securities (held long-term)?	FMV up to 30% adjusted gross income	FMV up to 30% adjusted gross income	FMV up to 20% adjusted gross income
For other non-cash appreciated assets (held long-term)?	Fair market value up to 30% adjusted gross income	Fair market value up to 30% adjusted gross income	Adjusted cost basis up to 20% adjusted gross income
CONTROL & ADMINISTRATION	LEAST	MORE	MOST
What is my role?	Advisory privileges; ultimate control by the sponsoring organization	Neither giver nor family can appoint/control more than 49% of the board; participation in board selection is allowed	You and your family can control/appoint 100% of the board
What control do I have over grants and assets?	You recommend grants and investment options but NCF has overall control	You recommend grants and investment options but the board has ultimate control	The board has complete control of all grants and investments (subject to self-dealing rules)
Can I employ and pay staff?	No	Yes, subject to reasonable compensation limits but not to substantial contributors ¹	Yes, subject to reasonable compensation limits
Can I pay expenses related to charitable activity?	No	Yes, can pay expenses but cannot reimburse substantial contributors ¹	Yes
Can I grant to individuals?	No	Yes, subject to IRS regulations	Yes, subject to IRS regulations
PRIVACY	MOST	LEAST	LEAST
Can I grant anonymously?	Yes	No ²	No ²
Are my contributions private?	Yes, donors are not disclosed to the public	No, you will need to file a Form 990, which becomes public record	No, you will need to file a Form 990, which becomes public record

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	DONOR-ADVISED FUND	SUPPORTING ORGANIZATION	PRIVATE FOUNDATION
TAX REQUIREMENTS	LEAST	LESS	MOST
Do I have a minimum annual distribution requirements?	No	No	Yes, 5% of foundation assets annually
Do I have to pay investment excise taxes?	No	No	Yes, up to 2% of net investments income
What tax forms do I need to file?	None	Annual federal 990 and state filings	Annual federal 990 and state filings
INVESTMENT OPTIONS	MOST	MOST	LEAST
Can I invest in NCF's pools?	Yes	No	No
Can I invest through brokerage accounts?	Yes, through our SMAs (separately managed accounts)	Yes	Yes
Can I invest in impact investments?	Yes, with additional screening and approval	Yes	Yes
Can I invest in alternative investments?	Via NCF SO	Yes	Yes, subject to EBH
COSTS	LEAST	MORE	MORE
Are there start-up costs?	No	Yes, legal and state fees for incorporation (no IRS filing under NCF's group exemption)	Yes, legal and state fees for incorporation, IRS Form 1023
What are my ongoing administration and management costs?	Giving Fund: starts at 100 bps, minimum of \$20 per month Cornerstone Fund: starts at 44 bps and scales down, minimum of \$950 per month, plus 5 bps for separately managed accounts	Contact NCF for more details	Costs for accounting, legal, investment, and general administration

¹ As defined in IRC §4958(c)(3).

² Combining this tool with an NCF Giving Fund (donor-advised fund) can achieve privacy and anonymity.

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