



# Your Giving Options:

## Comparing Donor-Advised Funds with Private Foundations

	<b>Donor-Advised Funds</b>	<b>Private Foundations</b>
<b>Start-Up Time:</b>	Immediate; requires a short fund agreement, and approval of OBCF board	Usually several weeks or months; requires IRS approval, creation of a board, and other legal actions
<b>Start-Up Fees:</b>	None	Legal (and other) fees are typically substantial
<b>Minimum Start-Up Donation:</b>	\$1000; fund must reach \$5000 within three years	A minimum of \$250,000 is recommended for a cost-effective private foundation
<b>Tax Deductibility for Gifts of Cash:</b>	Up to 60% of adjusted gross income	Up to 30% of adjusted gross income
<b>Tax Deductibility for Gifts of Stock or Real Property:</b>	Up to 30% of adjusted gross income	Up to 20% of adjusted gross income
<b>Valuation of Gifts:</b> (for tax deduction purposes)	Fair market value for all gifts	Fair market value for publicly-traded stock; cost basis for all other gifts, including gifts of closely-held stock or real property
<b>Ongoing Administrative and Management Fees:</b>	1% annual fee, plus investment management fees (less than 1% annually)	Usually 2.5% to 4% annually
<b>Administrative Responsibilities:</b>	None	Asset management, state and federal tax returns, record-keeping, grant administration, board meeting minutes, etc.
<b>Annual Excise Taxes:</b>	None	1% to 2% of net investment income annually

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	<b>Donor-Advised Funds</b>	<b>Private Foundations</b>
<b>Confidentiality:</b>	Names of individual donors can be kept confidential, if desired, and grants can be made anonymously	Must file detailed, public tax returns, including names of donors and grantees, which are freely discoverable online
<b>Required Grant Distribution:</b>	None; donors can choose to let their funds grow	Must expend 5% of net asset value annually, regardless of how much the assets earn
<b>Grant Decisions:</b>	Donors recommend grants for OBCF approval; recommendations are typically followed, but approval is required	Grant decisions are fully controlled by the foundation board
<b>Grant-Making Support:</b>	OBCF staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups	Donors must arrange and support their own grant-making
<b>International Grants:</b>	Difficult	Less difficult
<b>Scholarship Options:</b>	Donors can establish separate scholarship funds	Foundation may establish a scholarship program
<b>Investment Control:</b>	Funds are usually invested in a pooled account for cost effectiveness, and investment decisions are usually made by OBCF; for larger funds, donors may choose to retain some investment control	The foundation board selects how and where the endowment is invested
<b>Perpetuity within the Family:</b>	OBCF allows donors to name one succeeding generation of advisors; thereafter, OBCF will make grant decisions, based on the fund's history	Control can remain within the family for unlimited generations, at the discretion of the foundation board
<b>Compensation of Family Members:</b>	None	A private foundation may compensate family members for foundation activities

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