

Approaches to Giving – Comparing Ways to Give

| | DONOR ADVISED FUND AT NGCF | PRIVATE FOUNDATION |
|---|---|---|
| Tax Status | Public Charity as a fund under the Community Foundation’s public charity status. | Private charity as a separate 501(c)(3) organization under Section 509(a). |
| Income Tax Deductions for Gifts | <i>Cash:</i> Up to 50% of AGI. <i>Stock:</i> FMV up to 30% of AGI. <i>Real Estate:</i> FMV up to 30% of AGI. | <i>Cash:</i> Up to 30% of AGI. <i>Stock:</i> FMV up to 20% of AGI. <i>Real Estate:</i> Limited to cost basis, up to 20% of AGI. |
| Excise Tax | None | 1% to 2% of net investment income. |
| Annual Distribution Requirements | None | 5% of net assets annually |
| Privacy and Recognition | Donor may remain anonymous. | Required to file tax returns with details on grants, investments, fees, trustee fees. |
| Liability and Insurance | Covered by the Community Foundation’s liability and office insurance policies. | Must be purchased by the private foundation. |
| Administrative Requirements | Handled by the Community Foundation including all financial and administrative management, filing annual tax return, and conducting annual independent audit. | Trustees must perform and manage these services. |
| Grant Administration | Community Foundation staff is available to develop strategy, provide input on community needs, verify nonprofit status of grantees, administer payment and monitor performance. | Trustees must support their own grantmaking and monitoring. |
| Costs | Annual fee schedule of 1.6% of the asset balance of funds below \$1.5 million (assessed quarterly). Fees reduce for funds with more than \$1.5 million. | Private foundations under \$1 million have average costs of 4.8% of assets and those from \$1 million to \$10 million have average costs of 3% of assets. |