



Comparison of a Donor Advised Fund to a Private Foundation

Points to consider	Donor Advised Fund	Private Foundation
Legal identity	Component fund of DCF	Separate nonprofit entity
Tax status	Public charity	Private foundation
Tax on investment income	None	2% annually
Payout requirement	None	Grants must equal 5% of fund balance annually
Deductibility of gifts	Deductible up to 50% of adjusted gross income; gifts of appreciated property deductible (up to 30% of AGI) at fair market value	Deductible up to 30% of adjusted gross income; gifts of appreciated property deductible (up to 20% AGI) at cost basis—except publicly traded stock deductible at fair market value
Administration	All record keeping and accounting carried out by DCF	Detailed annual filing with IRS
Grantmaking expertise	DCF assistance to review and monitor proposals	Your foundation trustees and professional staff, if any (unusual for a small foundation)
Investment management	Various options including DCF's pooled investment portfolio as well as our Charitable Fund Partners Program*	Investment management responsibility rests with the private foundation
Control	Designated representatives may make recommendations about but not control assets or charitable distributions	Your foundation's trustees have complete control of distributions and responsibilities for asset management
Cost	No cost to establish; modest administrative fee depends on size of fund	\$ _____ Fill in your annual operating costs—include legal and accounting fees, insurance, office space, staff and miscellaneous expenses

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Confirmed in Compliance with
National Standards for U.S.
Community Foundations