

Private Foundation vs. Supporting Organization vs. Donor Advised Fund			
Features	Private Foundation Requirements	Public Foundation Requirements	
		Supporting Organization	Donor Advised Fund
Set Up	Create nonprofit corporation or trust	Create nonprofit corporation or trust	Execute funding agreement/application
Costs	\$15,000-\$20,000	\$2,500+	Normally, \$0
Initial Gift	\$1-2 million for efficiency	\$1-2 million for efficiency	\$1000 suggested
On-going Costs	Significant on-going expenses	Significant on-going expenses	Modest on-going expenses
Administration	Accounting, auditing, investing, state and federal tax returns	Accounting, auditing, investing, state and federal tax returns	All administration provided by umbrella ministry
Tax Return	Yes, Form 990PF	Yes, Form 990	No
Tax Exempt	No, 2% excise tax on income	Yes	Yes
Tax Deductibility	Cash – 30% AGI limitation Appreciated assets – 20% AGI	Cash – 60% AGI limitation Appreciated assets – 30% AGI	Cash – 60% AGI limitation Appreciated assets – 30% AGI
Deductibility Non-Cash Gifts	Basis of Asset	Fair Market Value of Asset	Fair Market Value of Asset
Control	Yes, Absolute control with compliance requirements	No, Only relative control Family can only be minority on board	No, Only relative control Family serves as advisors
Self-Dealing Rules Apply	Yes	No	No
Distribution Requirements	5% of value of foundation annually	85% of net income	None
Investments Options	Limitations on closely held stock Jeopardy investments	Full flexibility	Full flexibility
Perpetual	Yes	Yes	Yes, if umbrella org. agrees
Confidential	No, Public disclosure required	No, Public disclosure required	Yes
Grants	Board recommendation Broad range of possible recipients	Board recommendation Limited to only named ministries	Donor recommendation to board Broad range of possible recipients
Scholarship Requirements	IRS approval & reporting	None	None
Insurance	Directors & Officials E&O Recommended	Directors & Officials E&O Recommended	No



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