

Comparison Chart

COMPARISONS

COMPARISONS	DONOR ADVISED FUND	PRIVATE FOUNDATION
Creating your Philanthropic Vehicle	Established as fund at GHCF by a simple agreement	Separate nonprofit corporation or trust
Tax Exempt Status	Public Charity	Private Charity
Recommended Size	\$100,000 minimum; can operate with many millions of dollars	Typically several million dollars
Privacy	Stronger privacy: Donor may be anonymous; grant information remains private	All Donor and grant information is public
Governance	Lots of flexibility; Not required, but if desired, can create Advisory Board(s) for grant making and governance	Formal Fiduciary Board
Legacy	Preserved and protected by public entity (GHCF); includes unlimited successor advisors selected by donor	Overseen by Private Foundation Board; actions of successors can be limited, as defined by By-Laws

TAX PLANNING

Income Tax Deductions for Cash Gifts	Tax deduction up to 50% of adjusted gross income	Tax deduction up to 30% of adjusted gross income
Income Tax Deductions for Appreciated Publicly Traded Stock Gifts	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% of adjusted gross income
Income Tax Deductions for Real Estate and Closely Held Assets Comparisons	Fair market value up to 30% of adjusted gross income	Cost basis up to 20% of adjusted gross income

ADMINISTRATION AND GRANT MAKING

Administration	Services provided by GHCF	Must establish and/or obtain these services
Annual Payout	None required	At least 5% of assets
Donor Objectives	GHCF works with donor and advisors to honor donor intent. Can be preserved over time or change with the generations, as desired	Remains as stated in By-Laws; subject to changes in Board leadership and amendments to By-Laws
Grant Making	GHCF assists vetting of nonprofit grantees; on-line grant making; pledges allowable, event giving facilitated for funds \$100,000 and above*	Requires some structure to support grant making and monitoring; more flexibility such as grants to certain individuals; pledges allowable; event giving individualized by Foundation as permissible by Foundation Board*
Annual Tax Filings and Returns (990 Report)	None; reported as part of GHCF's annual reporting	Must be filed by the private foundation with required reporting schedules
Liability and Risk Insurance	Provided by GHCF	Purchased by the Foundation
Fiduciary Responsibility	GHCF fulfills	Foundation Board fulfills
Investments	Assets managed by third-party advisors (fund minimum of \$500,000) or in GHCF pools	Responsible for investment management; can manage directly

EXPENSES

Start-up Costs & Timing	No start-up cost to donor, two days to establish	Substantial legal, accounting, and operational start-up costs, months to receive tax-exempt status
Annual Costs	Modest	Can be costly
Annual Taxes	None	Subject to an excise tax of up to 2% of net investment gain, including net capital gains and income, and up to 2% annually on investment income

*Donors should always consult tax advisor for most recent IRS protocol.