

**Private Foundation vs. Supporting Organization vs. Donor Advised Fund**

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