

## Donor Advised Fund and Private Foundation Comparison

	Donor Advised Fund	Private Foundation
<b>Set-Up and Annual Maintenance</b>		
<b>Timing</b>	Immediate	Several months to incorporate and receive tax exempt status
<b>Start-up costs</b>	No start-up costs	Significant legal and accounting start-up costs (\$3,000 and up)
<b>Minimum to establish</b>	No minimum	Typically \$10 million or more to justify set-up and administrative expense
<b>Administrative fee</b>	1% of the average balance or \$400 a year, whichever is greater for Funds with assets under \$5 million. Tiered fee schedule for endowed funds and larger assets.	Typically in the range of 2.5-4%; must file annual tax returns, conduct independent audit, manage and administer all functions.
<b>Investment, Accounting and Tax Returns</b>	Fund is a part of The Miami Foundation's portfolio and the Foundation manages investments, accounting and files annual tax returns.	Trustees must perform, contract or hire staff for these services.
<b>Gift Deductibility</b>		
<b>Cash Gifts</b>	50% of AGI; fair market value	30% of AGI; fair market value
<b>Publicly-Traded Securities</b>	30% of AGI; fair market value	20% of AGI; limited to cost basis
<b>Closely-Traded Stock or Real Estate</b>	30% of AGI; fair market value	20% of AGI; limited to cost basis
<b>Other Considerations</b>		
<b>Excise Taxes</b>	None	1-2% of net investment income annually
<b>Annual Grant Distribution Requirement</b>	None under current law	Must distribute 5% of net assets value annually, regardless of earnings
<b>General and Grant Administration</b>	Managed by The Miami Foundation and access to expert programs staff, if desired	Trustees must perform, contract or hire staff for these services
<b>Privacy and Recognition</b>	Up to each donor, but a Fund's individual assets are confidential	Must file detailed and public tax returns on all grants, investments, fees, trustee names, etc.
<b>Control</b>	Donor may recommend grants and investments, but The Miami Foundation makes all final decisions	Donor family has complete control, subject to self-dealing rules
<b>Governance and Succession</b>	Unlimited succession planning; ability to appoint advisory Board	Unlimited succession planning; Board appointment decided by donor family