

GIVING VEHICLE COMPARISON: MAXIMIZE YOUR PHILANTHROPIC IMPACT



Compare	Donor-advised Fund	Private Foundation
Donor Involvement	Donor directs grants and investments. Fund bears name chosen by donor.	Governing body must approve all grants and administration.
Tax Status	Shares public charity status with Triangle Community Foundation.	Private charity, must apply to IRS for tax-exempt status.
Income Tax Deduction for Gifts		
Cash	Up to 60% of taxable income	Up to 30% of taxable income
Publicly Traded Stock, Real Estate, and Private Business Interests	Up to 30% of taxable income	Up to 20% of taxable income
Grantmaking		
Minimum Payout Requirement	None; however, Triangle Community Foundation requires all funds to distribute one grant annually. Minimum grant amount is \$250.	Annual payout of at least 5% net assets, with penalty tax on undistributed amounts.
Privacy	A fund's assets, gifts, and grants are kept private. No public disclosure is required. Donors are generally recognized for grants, but can make grants anonymously.	Private foundations are required to file Form 990-PF, which makes public the foundation's assets, grants, investment fees, and board compensation.
Philanthropic Advice, Grantmaking, and Community Knowledge	Our staff is available to help identify and assess grantees, provide input on community needs and ensure recipients are qualified 501(c)(3) orgs.	Donor or staff, if any, must arrange and support grantmaking and evaluation activities. We can provide custom services to private foundations.
Time Commitment	Conveniently recommend grants online while we process the payments. No board meetings required and no staff to manage.	Record keeping and filing for the IRS can take a significant amount of time each year. Public information can generate unsolicited charitable requests.
Administrative Considerations		
Ease of Establishing	Typically requires only one signed document (donor-advised fund agreement)	Create a corporation or trust following state legal requirements, file for and obtain IRS approval, requiring substantial legal and accounting support.
Time to Create	Immediate	Can take 6 months or longer for IRS approval.
Start Up Costs	None	Varies, but minimally several thousand dollars for legal and accounting expenses and filing fees (similar to a corporate start-up).
Self-dealing	Does not apply	Self-dealing rules apply.

Administrative Considerations Continued		
Annual Costs	Funds are charged annual administrative fees, assessed monthly based on the fair market value of the assets in the fund. The minimum annual fee is \$300.	Can be costly, including administration, accounting, and audit expenses.
Investments	Access to the Triangle Community Foundation's diverse and expertly managed investment options, or donor may recommend an outside manager for funds over \$2.5 million.	Must establish, research, and manage own investment vehicles, or hire an outside manager to do so.
Operations and Record Keeping	Provided by Triangle Community Foundation	Must establish, research, and manage own investment vehicles, or hire an outside manager to do so.
Fiduciary Responsibility	Triangle Community Foundation fulfills associated fiduciary responsibilities.	Private foundation board has full fiduciary responsibility.
Liability and Risk Insurance (including D&O)	Covered by Triangle Community Foundation's policies.	Must be provided and purchased by private foundation.
Annual Requirements		
Annual Taxes	None	Generally income tax exempt, but subject to excise tax of up to 2% of net investment income, including capital gains.
Tax Filings	None required	Annual IRS Form 990-PF, including detailed financial statements, must be prepared and filed.

Contact us today for more information:

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