

COMPARING CHARITABLE OPTIONS



FEATURES	PRIVATE FOUNDATION	OUR DONOR ADVISED FUND
Start-up Considerations	Most incorporate as a nonprofit or create trust and apply to IRS for tax-exempt status. Cost is several thousands of dollars. Can take several months to establish	Simple agreement, can be set-up immediately
Personalized Services	Board must arrange and support all grantmaking. Any additional support must come from hired or volunteer staff that must be managed or directed	Expert staff available to support your grantmaking and philanthropic goals, help define strategy, engage extended family, assess the effectiveness of grantees and more
Investments	Donor appoints board or trustees, who control investments	Donor selects from five pools to invest in; community, foundation selects investment managers. Donor may suggest an independent manager (minimums apply)
Grantmaking	Donor appoints board or trustees, who control grantmaking and must make sure grant recipients are qualified nonprofits	Donor recommends grants to qualified nonprofit organizations
Tax Advantages	Cash: up to 30 percent of adjusted gross income; publicly traded securities; fair market value up to 20 percent of adjusted gross income	Cash: up to 50 percent of adjusted gross income; publicly traded securities; fair market value up to 30 percent of adjusted gross income
Excise Tax	Subject to an annual excise tax of up to two percent on net investment including net capital gains	No excise tax
Valuation of Gifts	Fair market value for publicly-traded stock, cost basis for all other gifts, including gifts of closely-held stock or real property	Fair market value including closely-held stock or real property
Minimum Distribution Requirements	5 percent of assets annually	None
Tax Status	Private charity - as a separate 501(c) (3) organization under Section 509(a)	Public charity as a fund under the community foundation's public charity status
Taxes and Administrative Requirements	Must independently perform financial and administrative services or hire staff; annual tax return and reporting required. Excise tax of up to 2% of net investment earnings, other taxes may apply	None, part of the community foundation
International Grants	Allowed	Allowed
Continuity	May continue for future generations	May continue for future generations
Privacy	Must file detailed public tax returns on grants, investment fees, staff, salaries, etc.	Names of individual donors may be confidential and grants may be made anonymously

For more information, please contact

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