



# Comparing Donor Advised Funds, Supporting Organizations, and Private Foundations

	Donor Advised Fund	Supporting Organization	Private Foundation
<b>Creation</b>	Established by agreement with the Foundation	Nonprofit corporation created with assistance from the Foundation	Nonprofit corporation or trust organized as a private foundation
<b>Tax-exempt status</b>	Shares 501(c)3 tax-exempt status of the Foundation as public charity	509(A) public charity	Must apply for private foundation tax-exempt status from the IRS
<b>Costs (start-up and annual)</b>	No start-up expenses; annual administrative fee	Small start-up costs through collaboration with the Foundation; annual filing fees assessed to the Supporting Organization	Similar to corporate start-up
<b>Charitable deductions</b>	Tax deduction of up to 60% of adjusted gross income; maximum for donor allowed by law	Tax deduction of up to 60% of adjusted gross income; maximum for donor allowed by law	Tax deduction limited to 30% of adjusted gross income
<b>Donor control</b>	Advisor makes grant recommendations	Donor may appoint members of the board of directors with the Foundation appointing the majority of the members	Donor appoints board with control over investments and grantmaking, subject to IRS requirements
<b>Payout requirements</b>	No required payout	Spending policy determined at the establishment of the fund	Must pay out for charitable purposes at least 5% of its investment asset value regardless of annual income
<b>Annual taxes</b>	None	None	Generally income is tax exempt but subject to excise tax of up to 2% of net investment gain including net capital gains
<b>Annual tax filings and returns</b>	Reported as part of the Foundation annual reporting; donor lists are confidential	Prepared and filed by the Foundation; donor lists are confidential	Must be filed by the private foundation with required supporting schedules; donor lists are public information
<b>Investments</b>	Donor selects from four pools to invest in or may recommend an independent manager (minimums apply)	Donor selects from four pools to invest in or may recommend an independent manager (minimums apply)	Must secure its own investment services



**COMMUNITY  
FOUNDATION  
OF NEW JERSEY**

**For more information, please contact:**

Hans Dekker | [hdekker@cfnj.org](mailto:hdekker@cfnj.org)

PO Box 338 | Morristown, NJ 07963-0338 | 973-267-5533 | [www.cfnj.org](http://www.cfnj.org)