

## Donor Advised Fund vs. Private Foundation

	Donor Advised Fund at GWCF	Private Foundation
<b>Minimum Fund</b>	<ul style="list-style-type: none"> <li>\$10,000</li> </ul>	<ul style="list-style-type: none"> <li>\$ millions recommended; but no minimum.</li> </ul>
<b>Grant Making</b>	<ul style="list-style-type: none"> <li>Donor recommends grants</li> <li>GWCF conducts due diligence and approval</li> <li>Topical research available on request</li> <li>Option to distribute from principal &amp; income</li> <li>No annual minimum payout (4% recommended)</li> </ul>	<ul style="list-style-type: none"> <li>Subject to screening, evaluation and approval by Board of Trustees</li> <li>Restrictions on “self-dealing”</li> <li>Annual minimum payout 5% of assets</li> </ul>
<b>Granting Supports and Restrictions</b>	<ul style="list-style-type: none"> <li>Broad flexibility, including national and international charities</li> <li>In-depth knowledge of community needs</li> <li>Restrictions on grants to support lobbying</li> <li>Succession planning includes one generation as advisors</li> <li>Grants to individuals prohibited</li> </ul>	<ul style="list-style-type: none"> <li>Determined by Board of Trustees</li> <li>Restrictions on scholarship and research grants</li> <li>Prohibition against grants to support lobbying</li> <li>Purpose may be changed by future trustees</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>GWCF pooled fund</li> <li>Investment management fees charged to the Fund</li> </ul>	<ul style="list-style-type: none"> <li>Investment vehicles selected and overseen by Foundation</li> <li>Investment fees are responsibility of the Foundation</li> </ul>
<b>Governance /Ownership</b>	<ul style="list-style-type: none"> <li>GWCF Board of Directors</li> <li>Assets become property of GWCF</li> <li>Donor is an Advisor for granting</li> </ul>	<ul style="list-style-type: none"> <li>Separate Trust or Corporation with its own Board of Trustees</li> </ul>
<b>Federal Tax Consequences</b>	<ul style="list-style-type: none"> <li>Cash gifts: 60% of AGI</li> <li>Capital gain property: 30% of AGI</li> <li>All capital gain property including illiquid assets tax deductible at current value</li> <li>No excise tax on Fund’s investment income</li> </ul>	<ul style="list-style-type: none"> <li>Cash gifts: 30% of AGI</li> <li>Capital gain property: 20% of AGI</li> <li>Publicly traded securities deductible at current value</li> <li>Privately held stock and other assets deductible at basis</li> <li>1.39% excise tax on investment income</li> </ul>
<b>Visibility</b>	<ul style="list-style-type: none"> <li>Fund name acknowledged in grant letters and listed in annual reports OR</li> <li>Optional anonymity</li> <li>No public disclosure of Fund’s activities</li> </ul>	<ul style="list-style-type: none"> <li>Desire for degree of visibility determined by Board of Trustees</li> <li>Issues own guidelines and annual reports</li> <li>Detailed public disclosure annually by posting IRS 990PF on Internet</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>GWCF handles accounting, audit, due diligence, check writing, etc.</li> <li>1.25% administration fee on current market value up to \$5 million</li> </ul>	<ul style="list-style-type: none"> <li>Created and overseen by Trustees.</li> <li>Costs vary; all expenses are responsibility of Foundation</li> </ul>

**Note: Policies and laws governing charitable gifts are subject to change. This should not be considered legal or tax advise. Please consult with your professional advisor**