Wayne County COMMUNITY FOUNDATION

Donor Advised Fund vs. Private Foundation

Which option is right for you?

Private Foundations are powerful giving vehicles, but can be costly and time-consuming to maintain. A Donor Advised Fund at Wayne County Community Foundation is a great alternative – with less overhead, improved tax deductions and increased grant flexibility.

	Donor Advised Fund	Private Foundation
Start-up Time	Immediate	Can take several weeks or months
Start-up Costs	None	Legal (and other) fees are typically substantial
Ongoing Administrative and Management Fees	Typically 1% - may be less dependent on higher fund balance	Can be in the range of 2.5% to 4% per year
Tax deduction limits for gifts of cash	60% of adjusted gross income	30% of adjusted gross income
Tax deduction limits for gifts of stock or real property	30% of adjusted gross income	20% of adjusted gross income
Valuation of gifts	Fair Market Value	Fair market value for publicly-traded stock, cost basis for all other gifts, including gifts of closely-held stock or real property
Required Grant Distribution	None	Must expend 5% of net asset value annually, regardless of how much the assets earn
Privacy	Names of individual donors can be kept confidential if desired, and grants may be made anonymously	Must file detailed and public tax returns on grants, investment fees, trustee names, staff salaries, etc.
Administrative Responsibilities	Recommend grants to favorite charitable causes	Manage assets, keep records, select charities, administer grants, file state and federal tax returns, maintain board minutes, etc.

For more information about giving back to the community through the Wayne County Community Foundation or to discuss ideas with one of our staff members, contact us at 330.262.3877 or contact@wccfoh.org