



Comparison of Donor Advised Fund & Private Foundation

	MCF Advised Endowment Fund	Private Foundation
Minimum Initial Contribution	\$15,000	Typically at least \$5 million*
Donor Involvement	Donor advises MCF Board about distributions	Donor and family may have controlling voting interest on private foundation board
Tax Deductibility of Contributions:		
<i>Cash</i>	60% of Adjusted Gross Income	30% of Adjusted Gross Income
<i>Publicly Traded Stock</i>	Fair market value, up to 30% of Adjusted Gross Income	Fair market value, up to 20% of Adjusted Gross Income
<i>Real Estate & Closely Held Stock</i>	Fair Market value, up to 30% of Adjusted Gross Income	Cost basis up to 20% of Adjusted Gross Income
Excise Taxes	None	Yes, on investment income
Continuity	May appoint second generation advisor(s)	Succession plan must be established
Grantmaking Support	MCF staff can help identify and assess grantees, provide input on community opportunities and verify charitable status	Donors must arrange and support their own grantmaking, monitoring of grants and evaluation of outcomes
Cost to Establish	None	Several thousand dollars for legal and accounting expenses and filing fees
Administrative Expenses <i>MCF Support covers the cost of operating the fund and supports MCF's work in the community</i>	MCF Support: First \$500,000 - 1.00% Second \$500,000 - .80% Third \$500,000 - .60% Fourth \$500,000 - .40% Fifth \$500,000 - .20% Balance over \$2.5 million - .10% (Note: Investment returns are quoted as net of investment management fees)	Accounting, tax return preparation, and ongoing legal expenses in addition to investment management fees.
Reporting	No separate tax returns to file	Must file an annual 990 PF
Anonymity	Complete, if desired	Contributions and donor names appear on 990 PF, list of grants required, all available online
5% Minimum Payout Requirement	Subject to DAF fund activity policy	Yes
Maximum Annual Distributions	Subject to MCF spending policy	None

*Generally considered cost prohibitive with assets less than \$5 million