

# Popular giving vehicles

A comparison of donor-advised funds, supporting organizations, and private foundations

|   | DONOR-ADVISED FUND  | SUPPORTING ORGANIZATION  | PRIVATE FOUNDATION   |
|---|---|--|--|
| TAX DEDUCTIONS  | MOST  | MOST   | LEAST  |
| What's my deduction for cash gifts?                     | Up to 60% adjusted gross income   | Up to 60% adjusted gross income  | Up to 30% adjusted gross income  |
| For publicly traded securities (held long-term)?        | FMV up to 30% adjusted gross income                                     | FMV up to 30% adjusted gross income  | FMV up to 20% adjusted gross income  |
| For other non-cash appreciated assets (held long-term)? | Fair market value up to 30% adjusted gross income                       | Fair market value up to 30% adjusted gross income  | Adjusted cost basis up to 20% adjusted gross income  |
| CONTROL & ADMINISTRATION                                | LEAST   | MORE   | MOST   |
| What is my role?  | Advisory privileges; ultimate control by the sponsoring organization    | Neither giver nor family can appoint/control more than 49% of the board; participation in board selection is allowed | You and your family can control/appoint 100% of the board                                    |
| What control do I have over grants and assets?          | You recommend grants and investment options but NCF has overall control | You recommend grants and investment options but the board has ultimate control                                       | The board has complete control of all grants and investments (subject to self-dealing rules) |
| Can I employ and pay staff?                             | No  | Yes, subject to reasonable compensation limits but not to substantial contributors <sup>1</sup>                      | Yes, subject to reasonable compensation limits   |
| Can I pay expenses related to charitable activity?      | No  | Yes, can pay expenses but cannot reimburse substantial contributors <sup>1</sup>                                     | Yes  |
| Can I grant to individuals?                             | No  | Yes, subject to IRS regulations  | Yes, subject to IRS regulations  |
| PRIVACY   | MOST  | LEAST  | LEAST  |
| Can I grant anonymously?                                | Yes   | No <sup>2</sup>  | No <sup>2</sup>  |
| Are my contributions private?                           | Yes, donors are not disclosed to the public                             | No, you will need to file a Form 990, which becomes public record  | No, you will need to file a Form 990, which becomes public record                            |

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|  | DONOR-ADVISED FUND  | SUPPORTING ORGANIZATION   | PRIVATE FOUNDATION  |
|--|---|---|---|
| TAX REQUIREMENTS   | LEAST   | LESS  | MOST  |
| Do I have a minimum annual distribution requirements?    | No  | No  | Yes, 5% of foundation assets annually                               |
| Do I have to pay investment excise taxes?                | No  | No  | Yes, up to 2% of net investments income                             |
| What tax forms do I need to file?                        | None  | Annual federal 990 and state filings  | Annual federal 990 and state filings                                |
| INVESTMENT OPTIONS                                       | MOST  | MOST  | LEAST   |
| Can I invest in NCF's pools?                             | Yes   | No  | No  |
| Can I invest through brokerage accounts?                 | Yes, through our separately managed accounts              | Yes   | Yes   |
| Can I invest in impact investments?                      | Yes, with additional screening and approval               | Yes   | Yes   |
| Can I invest in alternative investments?                 | Via NCF SO  | Yes   | Yes, subject to EBH   |
| COSTS  | LEAST   | MORE  | MORE  |
| Are there start-up costs?                                | No  | Yes, legal and state fees for incorporation (no IRS filing under NCF's group exemption) | Yes, legal and state fees for incorporation, IRS Form 1023          |
| What are my ongoing administration and management costs? | Giving Fund: starts at 100 bps, minimum of \$30 per month | Contact NCF for more details  | Costs for accounting, legal, investment, and general administration |

<sup>1</sup> As defined in IRC §4958(c)(3).

<sup>2</sup> Combining this tool with an NCF Giving Fund (donor-advised fund) can achieve privacy and anonymity.

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