



NEW CANAAN  
COMMUNITY  
FOUNDATION

## Transition a Private Foundation to a Donor Advised Fund

Experience all of the benefits of your private or family foundation, without the administrative burdens.

A *Donor Advised Fund* or *Designated Fund* provides you with greater tax advantages and offers flexibility on how much and when you choose to give.

You and your family can take your time to determine how to spend your charitable resources.

### Why Choose Us?

When you choose to invest in the future of our community and beyond, you want to work with the experts. Our professional staff is available for advice on the needs and activities of the local nonprofit community as well as regional or national organizations. We offer valuable insight that helps your charitable giving achieve maximum results.



### What are the benefits of a Donor Advised Fund?

- ***You decide what to give***  
There is no annual 5% payout requirement.
- ***No hassles***  
Experience the joy of giving with minimal administrative tax or reporting requirements.
- ***Solid Investments***  
Benefit from professional management and a diverse investment portfolio.
- ***Privacy and Recognition***  
Every gift from the fund can carry your name, the fund name or you can remain anonymous.

### What do I do now?

Contact us and we can help you shape a philanthropic fund that makes your giving personal, simple and powerful. We are available to speak with you or your financial advisor.

# Comparing Your Options

A donor advised fund offers many advantages on the critical issues of **control**, **time commitment** and **tax impact**. Start a fund at NCCF at **any level** — granting privileges start at \$10,000. Below are the key differences between a donor advised fund and a private foundation.

## Donor Advised Fund

## Private Foundation

	Donor Advised Fund	Private Foundation
<b>Start-Up Time and Costs</b>	Immediate and no cost	Several months to years and legal fees will apply
<b>Tax Treatment of Cash Gifts</b>	Limited to 50% of adjusted gross income	Limited to 30% of adjusted gross income
<b>Tax Treatment of Publicly-Traded Securities</b>	Limited to 30% of adjusted gross income	Limited to 20% of adjusted gross income
<b>Valuation of Gifts</b>	Fair Market Value	Fair market value for publicly-traded stock, cost basis for gifts of closely-held stock or real property
<b>Required Payout</b>	None	5% required, regardless of how much assets earn
<b>Excise Tax</b>	None	1-2% of net investment income annually
<b>Administrative Fees</b>	Ranges from \$250 to 1% of assets annually depending on size of fund	Ranges from 2.5% - 4% annually
<b>Administrative Responsibilities</b>	Recommend grants to favorite charities	Manage assets, keep records, administer grants, file tax returns, or pay someone to do above
<b>Privacy</b>	Up to donor Anonymity available, if desired	Must file detailed ad public tax returns