

ORF Donor Advised Funds vs. Private Foundations Comparison

| Considerations | ORF Donor Advised Fund | Private Foundation |
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| Ease of Establishment & Tax Exempt Status | Fund is established immediately with a simple agreement and covered by ORF's tax exempt status | Corporation or trust required; IRS application for tax exempt status may take 6+ months to process |
| Start Up Costs | No Start Up Costs | Several thousand dollars in legal and accounting expenses and filing fees |
| Assets Required | \$10,000 minimum | \$8+ million to be cost-effective |
| Investment of Assets | ORF Investment Committee oversees investment policies | PF must establish policies, select investments and pay associated fees |
| Tax Deductions for Cash Gifts | Up to 50% AGI | Up to 30% AGI |
| Tax Deductions for Appreciated Publicly-Traded Securities Gifts | Full Market Value up to 30% AGI | Full Market Value up to 20% AGI |
| Excise Tax on Investment Income | No Excise Tax | 2% Excise Tax |
| Payout Requirements | None, at donor discretion | Annual minimum payout 5% of assets |
| Annual Tax Filings & Returns | Filed by ORF | Must be filed by PF with required detailed reporting schedules |
| General Administration | No donor fees, ORF Board underwrites all administrative and financial management costs | Trustees must perform, contract or hire staff for these services |
| Grantmaking Control | Donor may recommend grants to any IRS Qualified Charity; Grants approved by the ORF Board | Trustee appointed board controls grantmaking to IRS Qualified Charities |
| Grant Administration | ORF staff verifies IRS charity status, writes checks and distributes grants (in the fund name or anonymously) with letters or agreements, and confirms distribution at no fee | Trustees must perform, contract or hire staff for these services |
| Grantmaking Support | ORF investigates and monitors local charities and offers a wealth of expertise on local need and charities on request | Trustees must perform, contract or hire staff for these services |
| Privacy | Yes, fund size/grants are confidential | No, IRS 990-PF public record |
| Liability & Risk Insurance | Provided by ORF at no cost to donor | Must be purchased by PF |