

## Comparison of Gifting Vehicles

### Set-Up Considerations

|                                         | Donor Advised Fund at Stark Community Foundation | Supporting Foundation at Stark Community Foundation | Private Foundation                                                        |
|-----------------------------------------|--------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|
| <b>Time Frame</b>                       | Immediate                                        | Generally 1 to 2 months                             | Initial set up 1 to 2 months                                              |
| <b>Recommended Minimum Contribution</b> | \$10,000                                         | \$500,000                                           | At least \$1 million recommended to justify startup and maintenance costs |

### Tax Considerations

|                                        |                                                     |                                                           |                                                                                                                                                                                                      |
|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cash</b>                            | Deduction of up to 50% of AGI                       | Deduction of up to 50% of AGI                             | Deduction of up to 30% of AGI                                                                                                                                                                        |
| <b>Publicly Traded Securities</b>      | FMV deduction of up to 30% of AGI                   | FMV deduction of up to 30% of AGI                         | FMV deduction of up to 20% of AGI                                                                                                                                                                    |
| <b>Closely Held Stock/Real Estate</b>  | FMV deduction of up to 30% of AGI                   | FMV deduction of up to 30% of AGI                         | Deduction is limited to the donor's cost basis or FMV, whichever is lower, up to 20% of AGI                                                                                                          |
| <b>Tax Status</b>                      | 501(c)(3) public charity as a component fund of SCF | 501(c)(3) public charity due to its relationship with SCF | 501(c)(3) private foundation; not as favorable as public charity status                                                                                                                              |
| <b>Tax Return and Audits</b>           | Not applicable                                      | Annual returns are prepared and filed by SCF              | Must be performed by foundation managers or a professional accountant                                                                                                                                |
| <b>Private Foundation Excise Taxes</b> | Not applicable                                      | Not applicable                                            | Excise tax of 1% or 2% on net investment income and substantial excise taxes imposed for failure to meet payout requirement and for engaging in certain prohibited transactions such as self-dealing |

|                                |                                                                                                                                                                                           |                                                                                                                                              |                                                                                           |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>Administrative Services</b> | Most services covered by an annual fee of less than 1% (depending on total assets donated) of FMV of assets                                                                               | Most services covered by an annual fee of less than 1% (depending on total assets donated) of FMV of assets                                  | Must be performed by board members or officers ("foundation managers") or any hired staff |
| <b>Payout Requirement</b>      | No required payout                                                                                                                                                                        | No required payout                                                                                                                           | Annual payout of at least 5% of foundation assets                                         |
| <b>Donor Investment</b>        | Donor recommends grants to SCF for distribution to qualified 501(c)(3) organizations; successor fund advisors can be named for generations; the fund will maintain its name in perpetuity | Supporting foundation board has control over investments and grantmaking; SCF and donor appoint board members                                | Donor appoints board, which controls investments and grantmaking                          |
| <b>Grantmaking Support</b>     | SCF's professional staff can help identify and assess grantees, and advise on community needs; educational events and consultation available                                              | SCF's professional staff can help identify and assess grantees, and advise on community needs; educational events and consultation available | Grantmaking activities must be conducted by foundation managers or hired staff            |

### Definition of Terms

**SCF** = Stark Community Foundation

**AGI** = Adjusted Gross Income

**FMV** = Fair Market Value