

Benefits Of A Donor Advised Fund

	Foundation Donor Advised Fund	Private Foundations
Process	An agreement can be set up immediately with a minimum gift of \$10,000.	Must incorporate as a nonprofit or establish as a trust and apply to the IRS for tax-exempt status, which may incur additional legal fees and take several months. Recommended starting gift if \$5 million.
Services	Service-focused and relationship-driven, the Foundation assists donors in defining giving strategies, engaging families, offering peer learning, connecting donors, and vetting nonprofits with Erie expertise.	Any operational support must be provided by private foundation staff or contractors.
Investments	Donors choose from two portfolios curated by the Foundation: Pooled or Socially Responsible. These assets are overseen by investment managers handpicked by the Foundation.	The donor appoints a board or trustees responsible for managing investments.
Grantmaking	Donors recommend grants to qualified nonprofit organizations, while our staff provides comprehensive and expert support. This includes identifying community needs, conducting qualitative vetting of nonprofits, and sharing grant proposals from local nonprofits.	The board is responsible for arranging and supporting all grantmaking activities. Any additional assistance must be provided by private foundation staff or contractors.
Charitable Deductions	Cash: up to 60% of adjusted gross income (AGI). Publicly traded securities: FMV up to 30% of AGI. Real estate: FMV up to 30% of AGI.	Cash contributions are limited to 30% of adjusted gross income (AGI), publicly traded securities up to 20% of AGI at fair market value, and real estate up to 20% of AGI based on cost basis.
Charitable Distr. Requirements	A 4% annual distribution is not mandated - simply make a distribution once every three years.	Annual distribution of 5% of assets is required.
Administrative Considerations	Working with the Foundation could not be easier. Minimal fees charged help support the Foundation's mission is to inspire, engage and empower donors and communities across the region, today and tomorrow.	Donors must independently manage all financial and administrative services or hire staff for assistance. Annual filing of Form 990 PF and reporting are required. An excise tax of 1.39% of net investment earnings may apply, along with other potential taxes. Family members may serve as paid staff members.

