

## Private Foundation?

### Comparison of Private Foundation vs. LBCF's Donor Advised Fund

	<b>Private Foundation</b>	<b>LBCF's Donor Advised Fund</b>
Valuation for charitable deduction: Closely held stock or real estate	Cost Basis	Fair Market Value
Valuation of publicly traded securities	Fair Market Value	Fair Market Value
Income tax deduction – percentage of AGI, with 5 year carry-over	30% for cash, 20% for appreciated assets	50% for cash, 30% for appreciated assets
Excise tax on investment income	1-2% of income	No excise tax
Set-up expense	Costly	No set-up fees
IRS approval process	Time consuming	A fund can be established in less than one day
Annual distribution requirement	5%	None
Investment Options	Wide range	Wide range
Preparation of tax returns, IRS compliance, accounting, grants management, fiduciary oversight, legal and audit	Donor must arrange for these services	Provided by LBCF
Confidentiality	*None – All information is publicly available via form 990-PF	Donor has flexible options: Full recognition, or partial, or full anonymity

\*Private foundations provide little confidentiality. With the advent of the Internet, information is more available than ever. Today, anyone with a computer can access Guidestar ([www.guidestar.org](http://www.guidestar.org)) to gain information on any private foundation, including a scanned version of its 990-PF. Available information includes balance sheet detail (including investment holdings, a listing of directors (including contact information), every grant that is made (organization name and amount), and detail of administrative and investment management expenses.