

A Donor Advised Fund at The Evanston Community Foundation (ECF) Compared to a Private Foundation

	Donor Advised Fund at ECF	Private Foundation
Minimum Assets/ Historic Range	<ul style="list-style-type: none"> \$10,000+ \$10,000 - \$500,000 	<ul style="list-style-type: none"> No minimum.
Governance	<ul style="list-style-type: none"> ECF Board of Directors. Donor recommends grants to Board 	<ul style="list-style-type: none"> Independent corporation with its own Board of Directors.
Administration	<ul style="list-style-type: none"> ECF handles accounting, audit, check cutting. 1% annual administrative fee (\$350 annual minimum) or as determined based on services and fund size, plus pro rata share of funds' audit and accounting expense (approximately 35 basis points) 	<ul style="list-style-type: none"> Independent infrastructure created and overseen by Board. All costs—staff, audit, compliance, legal, etc.—are responsibility of the Foundation.
Investment	<ul style="list-style-type: none"> ECF portfolio Minimal Investment custody fees shared on pro rata basis among all funds. 	<ul style="list-style-type: none"> Investment vehicles selected and overseen by Foundation's Board. Investment management fees are responsibility of the Foundation.
Limitations and Tax Consequences	<ul style="list-style-type: none"> Cash gifts: Limited to 50% of AGI. Capital gain property: Limited to 30% of AGI. Deduction for publicly traded securities based on current value. Deduction for privately held stock and other property based on current appraised value. 5-year carry-over available. No tax on investment income. 	<ul style="list-style-type: none"> Cash gifts: Limited to 30% of AGI. Capital gain property: Limited to 20% of AGI. Deduction for publicly traded securities based on current value. Deduction for privately held stock and other property based on donor's basis. 5-year carry-over available. 2% excise tax on investment income.
Fiduciary Control	<ul style="list-style-type: none"> ECF Board of Directors. Donor recommends grants; approval required by ECF. 	<ul style="list-style-type: none"> Board of Directors. Subject to **IRS Regulations.
Visibility	<ul style="list-style-type: none"> Fund name acknowledged in grant letters. Fund listed in ECF annual report. Optional anonymity. 	<ul style="list-style-type: none"> Desire for degree of visibility determined by Board of Directors. Issues own grant guidelines and detailed annual reports (990s) for public distribution.
Grantmaking Process	<ul style="list-style-type: none"> ECF provides due diligence review of grantees recommended by donor. Prescreened proposals in interest area(s) referred to donor-advisors, if desired. Grant checks cut bimonthly. Research on specific nonprofits upon request. Option to distribute grants from income and principal. No annual minimum payout requirement. 	<ul style="list-style-type: none"> Subject to screening, evaluation and approval by Board of Directors. Restrictions on "self dealing." Annual minimum payout 5% of assets.
Grantmaking Focus	<ul style="list-style-type: none"> Broad flexibility across nonprofit sector Grantmaking should include local support. No geographic restrictions. Restrictions on grants to support lobbying. 	<ul style="list-style-type: none"> Determined by Board of Directors. Restrictions on scholarship and research grants. Prohibition against grants to support lobbying.

**IRS regulations include but are not limited to restrictions on holding interests in business enterprises, prohibition against grants to support lobbying, and expenditure responsibility procedures for grants to organizations that are not public charities. As a “public charity,” ECF operates under different rules and its administration monitors all compliance issues.