



## Compare a Donor Advised Fund at Fairfield County's Community Foundation with a Private Foundation

Feature	Donor Advised Fund at Fairfield County's Community Foundation	Private Foundation
Excise tax on investment income and net realized capital gains	None	Generally 2%; may be reduced to 1% under special circumstances
Minimum payout requirements	No (can accumulate toward a sizable project or grant with no required payout)	Yes (minimum 5% of average asset value each year under IRC Sc. 4941)
Application of expenditure responsibility procedures for grants to organizations and/or programs that are not public charities	No	Yes (under IRC Sc 4945: Taxable expenditure retax for failure to make "expenditure responsibility" investigations)
Possibility of advisory role for donor and family in grantmaking	Yes	Yes
Separate annual IRS tax return required	No	Yes
Privacy	<p>Yes. Donors are generally recognized for grants disbursed, but grants may be made anonymously. If a donor wishes, FCCF can serve as the buffer between donors and grantseekers</p> <p>Individual donor's fund asset size, gifts and grantmaking are kept private and confidential. No public disclosure of individual grants or donations is required.</p>	<p>No (IRS Form 990-PF is open to public inspection). Private foundations are required to file detailed tax returns on grants issued, investment fees, trustee fees, staff salaries, asset size, etc. and then publish a notice to the public that the tax return is available for viewing.</p> <p>These are public records and are often compiled into grantseeker directories</p>
General administration	FCCF handles all financial and administrative management	Foundation board must perform, contract or hire staff for these services
Grant administration	If donor wishes and, based on fund size, FCCF can identify potential recipients, investigate applicants, make grant payments and monitor performance	Foundation board must perform, contract or hire staff for these services
Liability and insurance	Advisors to funds are covered by FCCF's liability and office insurance policies.	Any Directors and Officers liability insurance, employee bonding, and office insurance must be separately purchased

**Questions?** Contact Kristy Jelenik, Vice President of Development, [KJelenik@FCCFoundation.org](mailto:KJelenik@FCCFoundation.org), 203.750.3200