



# American Endowment Foundation

	American Endowment Foundation's <b>Donor Advised Fund</b>	
Features		Private Foundation
Valuation for charitable deduction: closely held stock or real estate	Fair Market Value	Cost Basis
Valuation of publicly traded securities	Fair Market Value	Fair Market Value
Income tax deduction - % of Adjusted Gross Income (with 5-year carryover)	60% for cash, 30% for appreciated assets	30% for cash, 20% for appreciated assets
Tax on investment income	No	1-2% of income and realized gains
Expense	No set-up fee & low administrative fees	* Costly
Set-up process	Fund can be established in less than a day	Time consuming. Requires IRS approval
Annual distribution requirement	None	** 5%
Advisor can manage investments	Yes (Often limited at other DAFs)	Yes
Preparation of tax returns, IRS compliance, accounting, grants management, fiduciary oversight, legal and audit	Provided by AEF	Donor must arrange for these services
Confidentiality	Flexible: Donors can choose full/partial recognition or complete anonymity	*** None - All information is publicly available via form 990-PF
Perpetuity	Yes, if desired	Yes, if desired

\* Some services that specialize in foundation administration charge \$4,500 to start a foundation, while private attorneys specializing in trusts and nonprofit corporations often charge upwards of \$7,500 to \$25,000 in legal fees to handle the state and federal filing process.

\*\* Private foundations must spend a minimum of 5% of their endowment value each year toward advancement of their charitable purpose.

\*\*\* Private foundations provide little confidentiality. Anyone 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 (including organization name and grant amount), and detail of administrative and investment management expenses.