



American Endowment Foundation

	American Endowment Foundation Donor Advised Fund	
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	1.39% 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 at least \$8500 to start a foundation, with additional expenses afterwards, while private attorneys often charge upwards of \$10-20,000 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. Because some expenses can count towards 5%, less than 5% is often distributed to charities.

*** Private foundations provide little confidentiality. Available information on 990-PF includes balance sheet detail (including investment holdings), a listing of directors (and contact information), grantees and grant amounts, and detail of administrative and investment Management expenses.

**** It is very rare when AEF donors do not make grants every year. If AEF donor does not make grants within 3 year period, AEF contacts donors to determine giving plan.