



## American Endowment Foundation

	American Endowment Foundation <b>Donor Advised Fund</b>	
Features		Private Foundation
Valuation for charitable Deduction: closely held stock or real estate	<b>Fair Market Value</b>	Cost basis
Valuation of publicly traded securities	<b>Fair Market Value</b>	Fair market value
Income tax deduction- % of Adjusted Gross Income (with 5-year carryover)	<b>60% for cash, 30% for appreciated assets</b>	30% for cash, 20% for appreciated assets
Tax on investment income	<b>No</b>	1.39% of income and realized gains
Expense	<b>No set-up fee &amp; low administrative fees</b>	* Costly
Set-up process	<b>Fund can be established in less than a day</b>	Time consuming. Requires IRS approval
Annual distribution requirement	<b>**** None</b>	** 5%
Advisor can manage investments	<b>Yes (Often limited at other DAFs)</b>	Yes
Preparation of tax returns, IRS compliance, accounting, grants management, fiduciary oversight, legal and audit	<b>Provided by AEF</b>	Donor must arrange for these services
Confidentiality	<b>Flexible: Donors can choose full/partial recognition or complete anonymity</b>	*** None - All information is publicly available via form 990-PF
Perpetuity	<b>Yes, if desired</b>	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.