

Benefits of Donor-Advised Funds

	Hartford Foundation Donor-Advised Fund	Commercial Donor-Advised Fund	Supporting Organization	Private Foundation
Donor Involvement	Donor recommends grants to qualified nonprofits. Fund is invested in the Foundation's diversified pool.	Donor recommends grants to qualified nonprofit groups. Investment decisions are made by donor, but are limited to the fund's approved investment choices.	Supporting Organization's board has complete control over investments and grantmaking. Hartford Foundation and donor work together to select board.	Donor appoints board, which controls investments and grantmaking.
Tax Status	Participates in the Hartford Foundation's public charity status.	Participates in the entity's public charity status.	Public charity status based on its relationship with Hartford Foundation.	Applies to IRS for private foundation tax-exempt status
Income Tax Deduction				
Cash	Up to 60% of adjusted gross income	Up to 60% of adjusted gross income	Up to 50% of adjusted gross income	Up to 30% of adjusted gross income
Publicly-traded Securities	Fair market value up to 30% of adjusted gross income. May claim if appreciated.	Fair market value up to 30% of adjusted gross income. May claim if appreciated.	Fair market value up to 30% of adjusted gross income. May claim if appreciated.	Fair market value up to 20% of adjusted gross income. May claim if appreciated.
Real Estate and Closely Held Securities	Fair market value up to 30% of adjusted gross income; real estate and closely-held stock accepted. May claim if appreciated.	Fair market value up to 30% of adjusted gross income; real estate and closely-held stock accepted. May claim if appreciated.	Fair market value up to 30% of adjusted gross income; real estate and closely-held stock accepted. May claim if appreciated.	Deductible at cost basis up to 20% of adjusted gross income. May claim if appreciated.
Grantmaking Support	Professional staff available to help identify and assess grantees, provide input on community needs, and verify nonprofit status. Educational and joint grantmaking programs available.	Varies. Most have no grantmaking expertise and do minimum due diligence of grant recipients.	Professional staff available to help identify and assess grantees, provide input on community needs, and verify nonprofit status. Educational and joint grantmaking programs available.	Donors must arrange and support their own grantmaking and monitoring structure.
Distribution requirements	Varies	Varies	Must demonstrate ongoing support.	At least 5% of net asset value annually
Start-Up Costs	None	None	Costs kept to a minimum through collaboration with Hartford Foundation	Several thousand dollars for legal and accounting expenses and filing fees.
Timeframe	Immediate	Immediate	Immediate	Immediate
Minimum contribution	A \$10,000 minimum is required for grantmaking.	Varies. Usually \$10,000 to \$25,000 for individuals.	\$5 million recommended.	Typically millions of dollars.
Annual Administration Requirements Fees	1% of assets for administrative fees (minimum \$500) and declining scale over \$500,000. Average of .70% of for investment expenses.	Usually 1% of assets for administrative fees and .5% to .75% for investment expenses.	Varies. Typically base fee of 1% of assets plus actual investment expenses, audit fees, and tax return preparation fees.	Grantmaking, administrative, and investment support may be staffed and financed independently.
Taxes	None	None	None	Excise tax of up to 2% of net investment income, including net capital gains.
Reporting	None	None	Annual tax returns and audits, including detailed financial schedule filed by Hartford Foundation.	Annual tax returns and audits, including detailed financial schedules filed by private foundation.
Privacy	Donors may remain anonymous	Donors may remain anonymous	Donors may remain anonymous	Foundation 990 is public.