

	Private Foundation	AAPD Foundation Donor Advised Fund
EASE AND COST OF CREATION	A new private foundation can be both time consuming and costly to establish. It involves the creation of a new organization and application for exempt status.	The completion of the AAPD Foundation Donor Advised Fund Agreement is all that is required. There are no set-up fees.
DISTRIBUTIONS	5% annual distribution is required. Restriction on scholarship and research grants.	There are no annual distribution requirements. The fund can accumulate income for a sizeable grant or project.
TAXES PAID	Excise tax of up to 2% of annual net investment income, including gain on assets gifted to the foundation.	There is no excise tax on income.
TAX BENEFITS	<p>Tax treatment is not as favorable</p> <ul style="list-style-type: none"> ▪ Deduction up to 30% of adjusted gross income for cash contributions ▪ Deduction up to 20% of adjusted gross income for publicly-traded appreciated securities ▪ Deduction of only cost basis for gifts other than cash or publicly-traded securities 	<p>A donor can enjoy maximum tax advantages</p> <ul style="list-style-type: none"> ▪ Deduction up to 50% of adjusted gross income for cash contributions ▪ Deduction up to 30% of adjusted gross income for long-term appreciated property including publicly-traded securities, closely-held stock and real estate ▪ Deduction of fair market value for gifts of most assets
REPORTING REQUIREMENTS	Donor is responsible for annual IRS filing of Form 990-PF and other legal and administrative requirements. Separate account statements are required.	The AAPD Foundation handles legal, administrative, audit, and filing requirements.
INVESTMENTS	Certain types of investments prohibited, and the foundation may not own more than a 20% equity interest in a business.	No federal investment requirements and no equity concentration restriction.
ANONIMITY	A private foundation's tax return is public record, including the names of its contributors.	A donor may choose to remain anonymous. Names of donors need be revealed only to the IRS.
ADMINISTRATION	Trustees must perform administrative tasks, or contract or hire staff to manage assets, maintain records, select recipients, and administer grants.	The AAPD Foundation offers qualified professional support in identifying potential recipients, reviewing proposals and evaluating performance.