

COMPARING DISBURSEMENT ACCOUNTS FOR CHARITABLE GIVING

DONOR ADVISED FUNDS AND PRIVATE FOUNDATIONS



	COMMUNITY FOUNDATION	FINANCIAL INSTITUTIONS	PERSONAL AND FAMILY FOUNDATION ACCOUNTS	PRIVATE FOUNDATIONS
SET-UP COSTS (TIME AND FEES)	Varies No legal fees	24 hrs. No legal fees	Immediate No legal fees	Charitable registration can take up to 9 mos. Legal costs range from \$5K-\$150K+
MINIMUM AMOUNT	\$10K-\$25K	\$10K-\$250K	\$100K	At least \$1 Million
PERSONAL ADMIN	Reports issued by Community Foundation Donor attends events & fundraisers Donor selects charities	Institution issues reports Donor selects the charities and giving guidelines	Foundation issues quarterly reports Donor selects charities	Donor holds board meetings, manages assets, keeps records, selects charities, sets giving guidelines and administers grants
ANNUAL REPORTING	None	None	None	File annual return Manage surplus/deficit
INVESTMENT MANAGEMENT	Foundation selects portfolio manager	Use the financial institutions brokers	Donor can use his/her own broker	Committee of the board selects broker. Committee is responsible for the monitoring and performance of funds
PHILANTHROPIC ADVISING	Limited to those charities that the foundation knows about. Some community foundations provide donor advising services. Donor can hire outside counsel for advice.	Limited to those charities that the financial institution knows about. Up to the donor to do his/her due diligence aside for checking charitable registration. Donor can hire outside counsel for advice.	Donor hires outside counsel for advice.	Committee of the board sets giving guidelines and application policies. Up to the committee to do their due diligence in funding charities. Can hire outside counsel for advice or hire a full-time employee to manage the selection process
ANNUAL EXPENSES	1.5 - 4% incl. investment management fees	1.75 - 4% incl. investment management fees	0.75 - 2.5% plus investment management fees	Legal, tax, insurance, record keeping, staff and investment management
CHOICES OF CHARITIES	Primarily local community; Donor may select other registered charities. Donations on unregistered or non-profit organizations prohibited.	Donor advises on which charities and registered non-profits. Cannot donate through this fund to unregistered organizations or ones that do not have an agency agreement in place with a Canadian charity.	Donor selects charities and registered non-profits. Cannot donate through this fund to organizations that are not registered in Canada or do not have an agency agreement in place with a Canadian charity.	Founding donor selects charities at the creation of the foundation. Granting committee can amend these recommendations as per the bi-laws of the foundation.
AMOUNTS OF GRANTS	Community foundation determines the amount to grant.	Financial institution determines the amount to grant (min. annual payout 3.5%)	Min. annual payout 5% to unlimited (depending on the company that is managing the account)	Board determines amount to grant (min. annual payout 3.5%)
LONG-TERM GRANTING OPTIONS	Endowment gifts	Endowment gifts	Depends on the company managing the account	Endowment gifts
ONE-TIME GRANTING OPTIONS	Foundation chooses amount of allocation. Annual giving is separate from this account.	Financial institution chooses allocation amount (up to 5%)	Donor chooses how much to allocate.	New contributions are usually added to the endowment.
GIFTS OF PROPERTY (SIMPLE OR COMPLEX)	Most community foundations do not accept gifts of property, however they will accept gifts of stocks and insurance.	May accept gifts of property (additional fees will be levied to process this request)	Not available	Will accept donations of stocks, insurance, etc. but typically cannot accept complex assets
GRANTING OF CAPITAL	Capital can be granted to the foundation to close the account or to another charity (to be determined by the community foundation).	Capital can be granted to another Canadian registered foundation.	If account is closed funds can be transferred to another registered charity or foundation.	Capital stays permanently with foundation. Bi-laws cover the regulations around closing the foundation.
PRIVACY	Anonymous giving if desired	Anonymous giving if desired	Anonymous giving if desired	On public record
LEGACY PLANNING	Full recognition optional with each donation.	Full recognition optional with each donation.	Full recognition optional with each donation.	Full recognition (on public record).
SECURITY	Security and privacy policies are stated on the websites of the community foundations.	Financial institution has regulated security measures.	Security and privacy policies are stated on the websites of the community foundations.	Depends on the foundation. Canadian law regulates the minimum security measures.

Sources: Canada Gives – <http://www.CanadaGives.ca>, Plangiv – <http://www.PlanGiv.com>, Scotia Private Client Group – Aqueduct Foundation, The Calgary Community Foundation – <http://www.thecalgaryfoundation.org>, The Toronto Community Foundation – <http://www.tcf.ca>