



# DONOR-ADVISED FUND vs. PRIVATE FOUNDATION DONOR COMPARISON

PRIVATE FOUNDATION	CHURCH OF THE NAZARENE FOUNDATION DONOR ADVISED FUND
Legal and accounting fees to establish	No startup costs, just fill out a fund document
Foundations must manage assets, balance books, keep records, and prepare annual tax returns	CNF handles all administrative, investment and record keeping services
Deductions for cash gifts are limited to 30% of AGI and 20% for capital gain property	Deductions for cash gifts are 50% of AGI and 30% for capital gain property
Deductions for long term capital gain on publicly traded stock is limited to cost basis	Deduction limitations for long term capital gain on publicly traded stock is at fair market value
Must avoid self-dealing	Self-dealing rules do not apply
Complete information on your foundation's contributions and disbursements are public record	Your DAF with CNF is confidential
Must pay 2% excise tax on investment income annually	No tax on investment fund income
5% of foundation assets must be distributed annually to avoid income tax	No minimum annual distribution requirements
Must verify tax deductibility of all charities receiving distributions	CNF verifies tax status of all distribution recipients

If you would like more information about donor-advised funds with the Church of the Nazarene Foundation, please contact us at 866-273-2549 or [INFO@NAZARENEFOUNDATION.ORG](mailto:INFO@NAZARENEFOUNDATION.ORG). Visit our website: [WWW.NAZARENEFOUNDATION.ORG](http://WWW.NAZARENEFOUNDATION.ORG)