

Generous families and individuals often want a way to formalize their charitable giving. While a Private Foundation is an option, a Donor Advised Fund provides more benefits long term.

You can expect a lower cost while avoiding many of the legal, regulatory, reporting, and privacy concerns. A Donor Advised Fund also allows you to give to the charity of your choice while providing a legacy of generational giving. In the process, you receive immediate tax deductions, and often greater tax-wise benefits when you place appreciated assets in the fund.

## Comparing Donor Advised Funds and Private Foundations

|                           | Ten Talents Giving Fund (Donor Advised Fund)   | Private Foundation  |
|---------------------------|--|---|
| Legal Structure           | Your giving account is a legal account under our 501(c)(3) foundation. This means that we hold all the legal responsibilities and you simply benefit under our covering as a foundation. | Is a legal entity (Secretary of State, IRS, Treasury Department, Corp Docs, 990, Annual Filing fees, board minutes, policies, etc.)   |
| Suggested starting amount | \$5,000  | \$10M-\$20M   |
| Ongoing Costs             | Very low start up and ongoing costs/ fees.   | High start up and ongoing costs   |
| IRS Form 990              | Is a private account. Who you give to and how much you give is private and not seen publicly through our 990.  | Is a public entity with a publicly published 990. This means that your address, contributions, revenue, assets, and expenses are all publicly accessible, providing an over abundance of requests or criticism. |
| Privacy                   | Your account and information is private. We also recognize, with permission, people want to join in on a movement of generosity with other like-minded people                            | Much of the information is public   |
| Naming                    | We can name your personal fund account "The Davis Family Foundation" or The Legacy Harvest Foundation"   | There may be a challenge legally, with duplicate naming rights throughout California and other states.  |
| Tax Benefit               | Gifted appreciated assets will be assessed as a tax deductible gift at fair market value of the gift.  | Gifted appreciated assets will be assessed and tax deductible at "cost basis" and not at the appreciated fair market value.   |

|  | Ten Talents Giving Fund<br>(Donor Advised Fund)   | Private Foundation   |
|--|---|--|
| Gifts Process  | You simply recommend active and healthy organizations that you desire to fund and we approve the release of funds. We fund a vast amount of organizations that meet our foundational mission                        | Gifts will also need to be approved and distributed according to mission of the private foundation               |
| Complex Gifts  | We unite experts to onramp complex gifts into your Giving Fund (Donor Advised Fund) of real estate, business interests, privately held stock, crops and other complex non-cash gifts, maximizing your tax planning. | Experts will need to be discovered and retained  |
| Research   | We assist in maximizing giving by providing insights and assistance into the organizations you desire to be generous with.  | The board or team have full responsibility to research, interview and qualify the organizations that are funded. |
| IRS Tax Letters  | Gift letters and checks will be sent organizations you recommended from the foundation on your behalf.  | This is the responsibility of the private foundation team.   |
| Liability  | Transfers Liability to the Ten Talents Foundation   | Liability is solely held   |
| Generational Giving  | Transfer Values. Giving funds set up in which kids and grand kids can learn to give with simplicity   | Additional Complexities and reporting  |
| Appreciated publicly traded securities   | Fair Market Value, limited to 30% AGI   | Fair Market Value, limited to 20% AGI  |
| Other appreciated property (including real estate and closely held business interests) | Fair Market Value, limited to 30% AGI   | Cost Basis, limited to 20% AGI   |
| Mandatory annual distribution  | None  | Yes, 5% of foundation's assets   |
| Excise tax on investment income  | None  | Yes, 2% of foundation's net annual investment income   |

**Note:**

Over the last 10 years, Donor Advised Funds have exploded in popularity. Currently, there are over 1,000,000 Donor Advised Funds with roughly 20% more funds added each year. In the US, there are 130,000 Private Foundations, many holding under \$2M in assets. Advisors are suggesting that, unless you plan to start a Private Foundation with \$10-\$20M, a Donor Advised Fund is the best way to start your charitable work.

Our desire is to help these families transfer their assets into a Ten Talents Donor Advised Fund, cut their costs, add significant resourcing, and increase the power of their charitable gifts.