

A Comparison of Donor Advised Funds and Charitable Pooled Income Funds

Both are 100% controlled by a 501 C 3 Organization

Both have 501 C 3 organizations as ultimate beneficiary

Both are tax exempt entities required to make annual filings

Both allow the contribution of certain types of non-cash assets (see below)

Both will issue a tax deduction letter upon receipt of the contribution

Both allow advice from donor regarding investment managers

Donor Advised Funds:

- Provide deduction for 100% of value of asset contributed
- Allow for successor donor advisors to be chosen by the first donor advisor(s)
- Must approve 501 C 3 beneficiaries chosen by the donor advisor
- Non-cash assets are generally limited to publicly traded instruments

Charitable Pooled Income Funds:

- Provide a tax deduction based on the age of the income beneficiary(ies)-the older the average age the greater the deduction
- Provide income to the donor and the donor's choice of income beneficiaries
- Must distribute charitable remainder to 501 C 3 organizations chosen by the donor
- Non-Cash assets can include property of all types i.e closely held stock, real estate, collections of valuables, royalties, etc.