



The NCF Giving FundSM

An alternative to creating a private foundation

Two foundation-type vehicles for giving are donor advised funds and private foundations. The National Christian Foundation (NCF) calls our donor advised fund an NCF Giving Fund, and it has clear advantages over a private foundation:

1. *Ease of set up.*

You can set up an NCF Giving Fund in as little as a day. With a private foundation, you must incorporate, and then apply for IRS approval to attain tax-exempt status.

2. *Greater tax deduction for cash gifts.*

When you have an NCF Giving Fund, up to 50% of adjusted gross income (AGI) can be deducted, versus 30% or less of AGI with a private foundation.

3. *Greater tax deduction for gifts of publicly traded stock and other non-liquid assets.*

When you have an NCF Giving Fund, up to 30% of adjusted gross income (AGI) can be deducted, versus 20% or less of AGI with a private foundation.

4. *Greater tax deduction for gifts of closely held stock or other non-liquid assets.*

You can take a deduction at fair market value when you have an NCF Giving Fund, whereas your deduction is generally limited to a cost basis when you have a private foundation.

5. *Greater anonymity.*

Grants made from your NCF Giving Fund can be made anonymously. Grants made from your private foundation typically identify your foundation as the source. And annual tax returns filed for private foundations are open for public viewing.

6. *Lighter administrative burden.*

When you open an NCF Giving Fund, NCF coordinates all administration, distribution (grant-recommending), investment management, and record keeping. (And you can manage your Fund online.) When you operate a private foundation, you're responsible for managing assets, balancing books, keeping records and preparing tax returns.

7. Lower initial costs.

An NCF Giving Fund requires no set-up fees, and fees for gifts of real estate and other non-liquid assets are reasonable. A private foundation brings set-up costs, plus accounting, legal and tax-related costs.

8. Lower ongoing costs.

The cost to maintain your NCF Giving Fund is low (1% or less of the Fund balance) because costs are pooled to keep overhead low. When you operate a private foundation, you must pay for liability insurance, as well as administrative, tax and accounting costs.

9. No excise taxes.

An NCF Giving Fund requires no excise tax. A private foundation requires you to pay up to 2% excise tax on investment income each year, and places restrictions on self dealing.

10. More flexible distribution requirements.

With an NCF Giving Fund, there are no minimum distribution requirements. With a private foundation, you must distribute at least 5% of your fund annually.

11. NCF helps you verify charities' tax-exempt status.

NCF verifies the tax-exempt status of all charities receiving grants from your NCF Giving Fund. With a private foundation, verification is up to you.

12. Greater privacy.

Your NCF Giving Fund is confidential. With a private foundation, all contributions and distributions are public record.

13. No annual reporting requirements.

With an NCF Giving Fund, no annual reporting is required. With a private foundation, you must file an Annual 990-PF with the IRS.

To learn more about the differences between the NCF Giving Fund and a private foundation (as well as a supporting organization), call NCF at 404.252.0100 or visit www.nationalchristian.com/comparison.