

Comparative Reasons for Opening

A Donor-advised fund within The Foundation for the Diocese of Arlington

Topic CDA-DAF vs Private Family

Organization	Established 2011	Not yet established
Focus	Entities aligned with principles of the Roman Catholic Church	Not established
Tax exempt	§ 501(c)(3) status	Not yet established
Recommended size	\$10,000 minimum	\$2+ million to justify costs
Annual costs	Fee schedule	Can be costly
Grant making Guidance	Staff available as consultants regarding charitable causes	Little to no assistance available
Self-Dealing Rules	Do not apply	Strict regulations
% payout rule	Not subject to	Typically 5% of assets
Excise Tax on investment income	Do not pay	May be subject to tax
Tax Deductibility for Donors	Maximum under law*	Uncertain; provisional status if approved*
Mechanism for Receiving Gifts	Established mechanisms to handle gifts of real estate, securities & cash	Need mechanisms for receiving and managing of gifts
Sophisticated Gift Instruments (Lead Trust, Gift Annuity, Unitrusts, etc.)	In place	Must create
Staffing and Office Space	In place	Need to obtain
Accounting	Independent CPA audit annually	Must employ

Tax Return	N/A (Foundation Annual Report)	Must prepare
Public Report	Annual report to public	May be required
Director and Officer Liability	In place	Costly & difficult to obtain
Liability Insurance	In place up to \$11 million	Needed
Investment of Assets	Professional Investment Committee	Need to obtain

*Consult a tax advisor to confirm maximum charitable tax deduction available for donations to foundations. Most recently, tax deduction for Cash donation to Arlington Catholic Diocese DAFs can be up to 50% of AGI while Private Foundation donations are deductible only up to 30% of AGI. Tax deduction for Appreciated Securities donations to Arlington Catholic Diocese DAFs are up to 30% of AGI while Private Foundation deduction is only up to 20% of AGI.