

# How The Dayton Foundation's Family Foundation *Plus*<sup>SM</sup> Compares to a Private Foundation



To learn if a Family Foundation *Plus* fund is right for you, your family, or your client, contact a member of our Development team, at (937) 222-0410.

	<b>Family Foundation Plus (FF+) Fund</b>	<b>Private Foundation (PF)</b>
<b>1. Legal Entity</b>	Established by The Dayton Foundation <i>Plus</i> , Inc., an organization that supports The Dayton Foundation	Must be established by PF
<b>2. Application for Nonprofit Status (IRS Form 1023)</b>	Done	501(c)(3) must be obtained from IRS
<b>3. Tax Status</b>	Public charity	Private foundation
<b>4. Valuation of Gifts, Other than Publicly Traded Stock</b>	Fair market value	Cost basis
<b>5. Limitations on Tax Deductibility of Donations</b>	50% of Adjusted Gross Income (AGI) for cash gifts; 30% of AGI for long-term capital gains assets	30% of AGI for cash gifts; 20% of AGI for long-term capital gains assets
<b>6. Taxes Paid</b>	None	2% excise tax on net investment income, possible penalty taxes
<b>7. Tax Returns, States &amp; Federal</b>	Separate fund report not needed. Donor's privacy can be protected, if desired.	Federal 990-PF filed by PF. Grant history open to public inspection.
<b>8. Annual Payout Required</b>	None (minimum \$750 once every 7 years)	5% of net investment income
<b>9. Governance</b>	Not required, since donor directed	Board of Directors
<b>10. Legal &amp; Tax Counsel</b>	Retained by The Dayton Foundation <i>Plus</i> , Inc.	Must retain counsel
<b>11. Accounting &amp; Audit</b>	The Dayton Foundation handles all accounting	Must establish accounting systems; separate audit may be needed
<b>12. Grants</b>	Directed by donor and those appointed by donor to qualified charities. Appointees do NOT have to be living at the fund's inception.	Controlled by PF board
<b>13. Assets</b>	Investments pooled; may also hold unusual assets, e.g. S-corp stock, real estate	Some restrictions depending on type of assets held
<b>14. Asset Investment</b>	Policy & mechanisms set, results measured & monitored	Must implement & manage
<b>15. Fund Corpus</b>	Donor directed	Board controlled, can grant all income & corpus
<b>16. Suggested Fund Minimums</b>	\$250,000	\$10 million (per Council on Foundations)
<b>17. Knowledgeable Staff</b>	In place	Must employ & manage
<b>18. Administration</b>	In place	Must establish & maintain
<b>19. Public Report</b>	Part of The Dayton Foundation report	Must advertise, print & distribute
<b>20. Operating Expenses</b>	Generally 90 basis points (9/10 of 1%) up to \$1 million; 45 basis points between \$1 million and \$5 million; 15 basis points and over \$5 million (Additional assessments may apply whenever balance is less than \$250,000)	Paid by asset income – some IRS limitations
<b>21. D &amp; O Insurance, Surety Bonds</b>	In place	Must carry separate coverage
<b>22. Gift Acceptance Policy &amp; Procedure</b>	Established by The Dayton Foundation	Must establish