

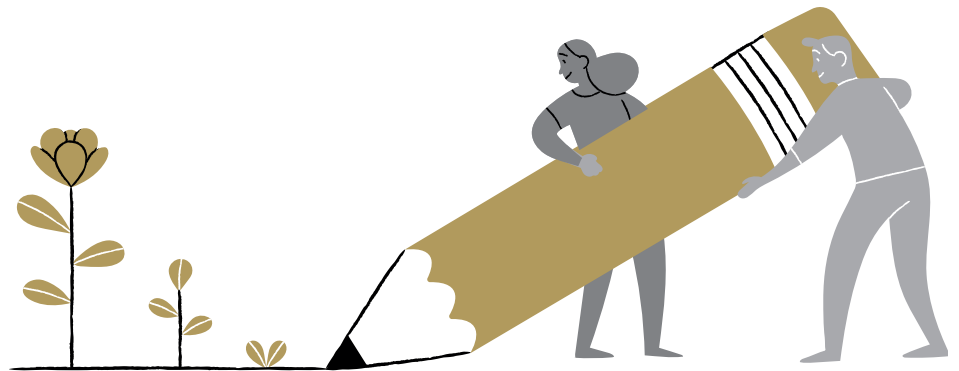
# Charitable solutions: Donor-advised funds vs. private family foundations

Helping you make a positive impact in sync with your goals and financial strategy.

We believe humanity thrives when people are empowered to create the change that matters most to them. At Thrivent Charitable Impact & Investing® (Thrivent Charitable), we work with families and nonprofits to help take the complexity out of giving so you can spread joy.

Donor-advised funds and private family foundations are two of the most popular charitable ways you may choose to give back.

Below are descriptions of each, and on the pages that follow, you'll find a chart that compares and contrasts the two charitable giving options.



## What is a donor-advised fund?

A donor-advised fund, sometimes called a charitable checking account, is a special charitable giving investment account. It allows you to choose when you want to give to the fund and grant from the fund, as well as the amount you want to grant and to the charity you designate.

Over time, your fund grows through sound investment management and stewardship from Thrivent Charitable.

## What is a private family foundation?

A private family foundation is a 501(c)(3) nonprofit established by an individual(s) as a tool to support charitable causes. The foundation is run as a business and assumes all associated costs, such as tax implications and legal fees. A board of directors is appointed and runs all grant-making activity. A private family foundation may open a brokerage account to invest donations and build additional wealth.

## Donor-advised fund vs. private family foundation

	<b>Donor-advised fund (DAF)</b>	<b>Private family foundation</b>
<b>How it is established</b>	Donor agrees to establish a fund under the legal umbrella of Thrivent Charitable Impact & Investing, a public charity, and abide by its policies.	Foundation establisher must create a nonprofit corporation on a state level and apply for and receive private foundation status under federal law.
<b>Tax status</b>	Exempt as part of the Thrivent Charitable public charity's tax status.	Foundation establisher must apply for, receive and maintain tax exemption as a private foundation under federal law.
<b>Initial funding amount</b>	Options are available with no minimum balance requirement.	Initial funding amount required to start foundation. Funding needed varies.
<b>Set-up expenses to the donor</b>	None (except for personal attorney fees, if any).	Legal and accounting expenses.
<b>Annual operating expenses</b>	Generally, a 1% administrative fee is assessed against the fund's value.	Foundation assumes costs for outside legal counsel, accountants and other administrative expenses.
<b>Annual tax filings</b>	None separate from Thrivent Charitable's filings.	Federal and state filings: Tax return and informational return.
<b>Annual taxes</b>	None assessed to the DAF.	Foundation is subject to an excise tax of 1.39% of net investment income (including interest, dividends and capital gains).
<b>Administration</b>	Thrivent Charitable handles all administration, accounting and audit functions.	Foundation must establish and maintain all governance, administration, accounting and audit functions.
<b>Fiscal management/investments</b>	Donor contributions are managed by Thrivent Charitable as part of its assets. Fund advisor can select one fund or allocate assets across multiple portfolios.	Foundation cannot invest in highly speculative ventures. Foundation cannot maintain more than 20% of voting shares of any public or private corporation.
<b>Fiduciary role</b>	Thrivent Charitable assumes fiduciary responsibility and legal liability.	Foundation assumes fiduciary responsibility and legal liability.
<b>Lifetime of fund</b>	Perpetual, unless closed by fund advisors.	Perpetual, unless disbanded by foundation's board.
<b>Charitable deduction limits for donors</b>	<p>Cash gifts: Annual limit, equal to 60% of donor's adjusted gross income.</p> <p>Capital asset gifts: Fair market value subject to an annual limit, equal to 30% of donor's adjusted gross income.</p> <p>Any unused portion gift type may carry forward an additional five years.</p>	<p>Cash gifts: Annual limit, 30% of donor's adjusted gross income.</p> <p>Capital asset gifts: Fair market value for publicly traded securities. Cost basis for privately held stock or appreciated real estate. Subject to an annual limit, equal to 20% of donor's adjusted gross income.</p> <p>Five-year carry-forward applies.</p>
<b>Grantmaking requirements</b>	<p>Timing of grant distributions is at the discretion of fund advisor(s).</p> <p>Must generally grant to qualified 501(c)(3) charities when making distributions.</p>	<p>At least 5% of foundation's asset value must be granted each year to 501(c)(3) charities.</p> <p>Foundation must generally grant to qualified 501(c)(3) charities when making distributions.</p>

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## Donor-advised fund vs. private family foundation

	Donor-advised fund (DAF)	Private family foundation
<b>Donor control</b>	Advisory; Thrivent Charitable has variance power.	The foundation board (governing body) has control over grants and fund investments, subject to federal regulations.
<b>Self-dealing regulations</b>	Not applicable.	Certain transactions between donors, family, managers and other “disqualified persons” and the foundation are prohibited, like leasing, sales and loans. Penalties apply.
<b>Anonymity</b>	Fund advisors may choose to remain anonymous.	Filings are public information.

### About us

Thrivent Charitable Impact & Investing brings hope to the world by empowering people to create the change that matters most to them. We open the joy of generosity to all by making it easy for anyone to give to the causes they cherish. We take a holistic, personalized approach to help our donors create strategic charitable plans, illuminating new paths to personalized impact through visionary models, tailored service and deep expertise. Ignited by our faith, we are passionate about creating positive impact and inspiring lasting change in our communities.

## Ready to make the most of your generosity?

 [thriventcharitable.com](https://thriventcharitable.com)

 [thriventcharitable@thrivent.com](mailto:thriventcharitable@thrivent.com)

 800-365-4172



Thrivent Charitable Impact & Investing® is a public charity that serves individuals, organizations and the community through charitable planning, donor-advised funds and endowments. Thrivent Charitable Impact & Investing works collaboratively with Thrivent and its financial advisors. It is a separate legal entity from Thrivent, the marketing name for Thrivent Financial for Lutherans.

Insurance products, securities and investment advisory services are provided by appropriately appointed and licensed financial advisors and professionals. Only individuals who are financial advisors are credentialed to provide investment advisory services. Visit [Thrivent.com](https://Thrivent.com) or FINRA's BrokerCheck for more information about Thrivent's financial advisors.

Donors must itemize deductions to receive a charitable income-tax deduction. Charitable giving can result in tax, legal and financial consequences. Thrivent, its financial advisors, and Thrivent Charitable Impact & Investing®, do not provide legal, accounting or tax advice. Consult your attorney or tax professional.