

**APPENDIX A: SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN PUBLIC CHARITIES, PRIVATE FOUNDATIONS, PRIVATE OPERATING FOUNDATIONS, DONOR ADVISED FUNDS, SUPPORTING ORGANIZATIONS AND SOCIAL WELFARE ORGANIZATIONS**

	<b>Federal Income Tax Charitable Contribution Deduction Limitations for Individuals; Gift and Estate Tax Treatment</b>	<b>Qualified Charitable Distribution (QCD) from Individual Retirement Accounts (IRAs)</b>	<b>Controlled/Prohibited Activities</b>
<p><b>Public Charity - 509(a)(1) and 509(a)(2) (Excluding Donor Advised Fund (DAF) Sponsoring Organization)</b></p>	<p>Income tax deduction allowed for cash contributions to public charities in an amount up to 60% of an individual's adjusted gross income (AGI) for a taxable year. The percentage is typically lowered to 30% for contributions of long-term capital gain property.</p> <p>Income tax deduction for long-term capital gain property is typically based on fair market value (FMV) on the date of contribution.</p> <p>Gifts and bequests qualify for unlimited gift and estate tax deductions.</p> <p>Partial interest rule applies to all contributions.</p>	<p>Public charities (other than DAF sponsoring organizations and supporting organizations (SOs)) are qualified organizations to which QCDs may be made.</p>	<p>Regulated activities include:</p> <p>Excess benefit transactions;</p> <p>Excessive lobbying; and</p> <p>Political expenditures.</p>
<p><b>Private Non-Operating Foundation</b></p>	<p>Income tax deduction allowed for cash contributions to private non-operating foundations in an amount up to 30% of an individual's AGI for a taxable year. The percentage is lowered to 20% for contributions of long-term capital gain property.</p>	<p>QCDs may not be made to a private non-operating foundation, unless the foundation qualifies as a pass-through foundation or is structured as a common fund.</p>	<p>Regulated activities include:</p> <p>Minimum distributions;</p> <p>Self-dealing with disqualified persons (absolute rule; no need to show detriment to foundation or benefit to disqualified person);</p> <p>Excess business holdings;</p> <p>Jeopardy investments; and</p>

	<p>Contributions of long-term capital gain property (other than qualified appreciated stock) are deductible only to the extent of donor's tax basis in the property.</p> <p>Gifts and bequests qualify for unlimited gift and estate tax deductions.</p> <p>Partial interest rule applies to all contributions.</p>		<p>Taxable expenditures, including any expenses to influence legislation, influence outcome of election or engage in voter registration.</p>
<b>Private Operating Foundation</b>	<p>Income tax deduction allowed for cash contributions to private operating foundations in an amount up to 60% of an individual's AGI for a taxable year. The percentage is typically lowered to 30% for contributions of long-term capital gain property.</p> <p>Income tax deduction for long-term capital gain property is typically based on FMV on the date of contribution.</p> <p>Gifts and bequests qualify for unlimited gift and estate tax deductions.</p> <p>Partial interest rule applies to all contributions.</p>	<p>Private operating foundations are qualified organizations to which QCDs may be made.</p>	<p>Regulated activities include:</p> <p>Charitable expenditures/assets;</p> <p>Self-dealing with disqualified persons (absolute rule; no need to show detriment to foundation or benefit to disqualified person);</p> <p>Excess business holdings;</p> <p>Jeopardy investments; and</p> <p>Taxable expenditures, including any expenses to influence legislation, influence outcome of election or engage in voter registration.</p>
<b>Donor Advised Fund</b>	<p>Income tax deduction allowed for cash contributions to DAFs in an amount up to 60% of an</p>	<p>QCDs may not be made to a DAF.</p>	<p>Regulated activities include:</p>

	<p>individual's AGI for a taxable year. The percentage is typically lowered to 30% for contributions of long-term capital gain property.</p> <p>Income tax deduction for long-term capital gain property is typically based on FMV on the date of contribution.</p> <p>Gifts and bequests qualify for unlimited gift and estate tax deductions.</p> <p>Partial interest rule applies to all contributions.</p>		<p>Excess benefit transactions, expanded so that all grants, loans, compensation or similar payments to a donor, donor-advisor or related person/entity are automatically treated as an excess benefit in the full amount of the transaction, regardless of reasonableness; an expanded definition of disqualified person also applicable to ordinary excess benefit transactions;</p> <p>Excessive lobbying;</p> <p>Political expenditures;</p> <p>Excess business holdings; and</p> <p>Taxable distributions:</p> <ul style="list-style-type: none"> <li>Distributions to individuals,</li> <li>Distributions to an organization that is not described in 170(b)(1)(A), namely a private non-operating foundation, tax-exempt organization that is not a public charity, or disqualified SO, unless expenditure responsibility is exercised, and</li> <li>Distributions for non-charitable purposes; and</li> </ul> <p>Distributions that result in a "more than incidental" benefit to a donor, donor-advisor or related person/entity.</p>
<p><b>Supporting Organization (509(a)(3) Organization)</b></p>	<p>Income tax deduction allowed for cash contributions to SOs in an amount up to 60% of an individual's AGI for a taxable year. The percentage is typically lowered to 30% for contributions of long-term capital gain property.</p> <p>Income tax deduction for long-term capital gain property is typically based on FMV on the date of contribution.</p>	<p>QCDs may not be made to any type of SO.</p>	<p>Regulated activities include:</p> <p><u>Type I:</u></p> <p>Excess benefit transactions; general rule expanded so that (i) any loan to a disqualified person and (ii) any grant, loan, compensation or similar payment to a substantial contributor or related person/entity is automatically treated as an excess benefit in the full amount of the transaction, regardless of reasonableness;</p> <p>Excessive lobbying; and</p>

	<p>Gifts and bequests qualify for unlimited gift and estate tax deductions.</p> <p>Partial interest rule applies to all contributions.</p>		<p>Political expenditures.</p> <p><u>Type II:</u> Same as Type I plus: Excess business holdings, if SO accepts a contribution from a donor who controls a supported organization or a related person/entity.</p> <p><u>Type III (functionally integrated):</u> Same as Type I.</p> <p><u>Type III (Non-functionally integrated):</u> Same as Type I plus: Excess business holdings.</p>
<p><b>Social Welfare Organization (501(c)(4) Organization)</b></p>	<p>No income tax deduction.</p> <p>Gifts are excluded from transfers subject to gift tax.</p> <p>Bequests are subject to estate tax.</p> <p>Partial interest rule not applicable.</p>	<p>QCDs may not be made to social welfare organizations (QCDs may only be made to charitable organizations).</p>	<p>Regulated activities include: Excess benefit transactions; and Payments for political campaign activities may be taxable.</p>

	<b>Entity Level Taxation</b>	<b>Distribution Requirements</b>	<b>Disclosure of Donor Identity</b>	<b>Degree of Donor Control</b>
<b>Public Charity - 509(a)(1) and 509(a)(2) (Excluding DAF Sponsoring Organization)</b>	None, unless charity realizes unrelated business taxable income (UBTI) or participates in an excess benefit transaction.	None (except for certain research organizations).	Although charity may be required to include certain contributors' identifying information on Schedule B of its Form 990 (due to the size of a donor's gift), such information is exempt from public disclosure.	Donor(s) do not typically control, although donor(s) may be members of board and, in that capacity, may help direct investment and use of assets.
<b>Private Non-Operating Foundation</b>	Private non-operating foundation must pay tax on its net investment income. Otherwise, entity is not subject to tax unless it realizes UBTI or fails to comply with certain of the excise tax provisions applicable to private foundations.  Certain related persons may also be subject to tax under the private foundation excise tax rules.	Must make qualifying distributions equal to at least 5% of the average FMV of foundation's net investment assets annually.  Distributions that constitute taxable expenditures prohibited. In particular, grants to non-functionally integrated Type III SOs and certain other SOs are prohibited unless foundation exercises expenditure responsibility.	Certain identifying information with respect to donors must be included on Form 990-PF and is subject to public disclosure.	Donor(s) may control.
<b>Private Operating Foundation</b>	Private operating foundation must pay tax on its net investment income (unless it qualifies as an exempt operating foundation). Otherwise, entity not subject to tax unless it realizes UBTI or fails to comply with certain of the excise tax provisions applicable to private foundations.	Must (i) spend at least 85% of the lesser of its adjusted net income or minimum investment return on expenditures directly for active conduct of exempt activities and (ii) meet either assets, endowment or support test.	Certain identifying information with respect to donors must be included on Form 990-PF and is subject to public disclosure.	Donor(s) may control.

	Certain related persons may also be subject to tax under the private foundation excise tax rules.	Distributions that constitute taxable expenditures prohibited. In particular, grants to non-functionally integrated Type III SOs and certain other SOs are prohibited unless foundation exercises expenditure responsibility.		
<b>Donor Advised Fund</b>	None, unless DAF sponsoring organization realizes UBTI or DAF or sponsoring organization, as applicable, participates in an excess benefit transaction.	None, but many DAF sponsoring organizations have policies that require certain minimum activity level.	Although DAF sponsoring organization may be required to include certain contributors' identifying information on Schedule B of its Form 990 (due to the size of a donor's gift), such information is exempt from public disclosure.	DAF sponsoring organization owns the assets of DAF and is ultimately responsible for control of DAF (distribution and investment). Donor(s) (or donor-advisor(s)) may offer non-binding investment and distribution advice.
<b>Supporting Organization</b>	<u>All Types:</u> None, unless SO realizes UBTI or participates in an excess benefit transaction.	<u>Type I, Type II and Type III (functionally integrated):</u> None, although SO must carry out activities that benefit its supported organization(s). <u>Type III (non-functionally integrated):</u> Must annually distribute to or for the use of one or more supported organizations an amount equal to or exceeding the greater of 85% of its adjusted net income or 3.5% of the FMV of its investment assets (calculated based on the immediately preceding tax year).	<u>All Types:</u> Although SO may be required to include certain contributors' identifying information on Schedule B of its Form 990 (due to the size of a donor's gift), such information is exempt from public disclosure.	<u>Type I:</u> Substantial contributors may not control. SO is controlled by its supported organization(s). <u>Type II:</u> Substantial contributors may not control. SO is controlled by persons who control its supported organization(s). <u>Type III (functionally integrated):</u> Substantial contributors may not control. SO is not required to be controlled by its supported organization(s), but must satisfy

		Must also meet attentiveness test that requires certain levels of support be provided to supported organizations.		<p>responsiveness, notice and integral part requirements.</p> <p><u>Type III (non-functionally integrated):</u></p> <p>Substantial contributors may not control. SO is not required to be controlled by its supported organization(s), but must satisfy responsiveness, notice and integral part (distribution and attentiveness) requirements.</p>
<b>Social Welfare Organization (501(c)(4) Organization)</b>	None, unless organization realizes UBTI, participates in an excess benefit transaction or makes taxable political campaign expenditures.	None.	Although organization may be required to include certain contributors' identifying information on Schedule B of its Form 990 (due to the size of a donor's gift), such information is exempt from public disclosure.	Donor(s) may control (but, if donor does control, potential estate tax issues with respect to assets held in 501(c)(4) attributable to donor's contributions to organization).