

# Comparing Philanthropic Options

## DONOR ADVISED FUND AT CFCG

## PRIVATE FOUNDATION

### Donor Control

Donor recommends grants to qualified nonprofits. Grants are approved by the Community Foundation's Board of Directors and the investments are overseen by the Board of Directors.

Donor appoints Board, which controls investments and grantmaking.

### Tax Status

Public charity—as a fund under the Community Foundation's public charity status.

Private charity—as a separate 501(c)(3) organization under Section 509(a).

### Income Tax Deductions for Gifts of

*Cash:* Up to 60% of AGI.  
*Stock:* FMV up to 30% of AGI.  
*Real Estate:* FMV up to 30% of AGI.

*Cash:* Up to 30% of AGI.  
*Stock:* FMV up to 20% of AGI.  
*Real Estate:* Cost basis up to 20% of AGI.

### Philanthropic Services

Professional staff is available to develop strategy, provide input on community needs, and identify, assess, and verify non-profit status of grantees. Donor education, family engagement, and peer networking provided as desired.

Board must arrange and support their own grantmaking, monitoring and administrative structures.

### Start-up Considerations

*Initial costs:* None  
*Minimum contributions:* None  
*Time to establish:* Immediate

*Initial costs:* \$3,000 to \$6,000 for legal expenses and filing fees.  
*Minimum contributions:* Typically \$10 million or more for cost efficiency  
*Time to establish:* Several months

### Annual Administrative Requirements

*Fee:* Fees include an annual administrative fee on a tiered schedule, starting at 1% and decreasing as the size of the fund increases, plus investment management fees.  
*Reporting:* None

*Fee:* Several thousand dollars for legal and accounting expenses and filing fees, plus staff and costs to operate the Foundation.  
*Reporting:* 990-PF tax form must be filed annually.

### Annual Distribution Requirements

No annual grants distributions are required, but regular grant making is strongly encouraged at a recommended spending rate of 4% per year.

5% of net assets annually, otherwise a 30% penalty tax.

### Excise Tax

None

1% to 2% of net investment earnings.

### Continuity

Donor may name successor advisor(s) to the fund.

May continue to future generations.

### Privacy

Donor and fund activity may remain anonymous.

Officers, Directors, Trustees, corpus and grants listed in IRS Form 990-PF.



As of February 1, 2018

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COMMUNITY  
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