

Donor Advised Funds vs. Private Foundations

Donor advised funds are a simple and cost-effective alternative to private foundations. We handle the administrative work, while you make the grants so you can **Impact Today and Transform Tomorrow!**



	Donor Advised Fund at CF	Private Foundation
Legal Entity / Tax Status	<ul style="list-style-type: none"> • Component fund at CF • Public charity 	<ul style="list-style-type: none"> • Separate nonprofit entity • Private charity
Donor Involvement	<ul style="list-style-type: none"> • Donor recommends grants to nonprofits • CF approves request 	<ul style="list-style-type: none"> • Donor appoints board to oversee grantmaking decisions
Minimum Distribution / Grantmaking Support	<ul style="list-style-type: none"> • No minimum distribution • Local expertise can help identify and assess grant recipients, provide input on community needs, and verify nonprofit status of groups 	<ul style="list-style-type: none"> • Required to 5% distribution of net asset value annually • Researches and evaluates its own grants
Administrative Costs / Minimum Contribution	<ul style="list-style-type: none"> • Zero start up costs; 1% annual fee based on the daily average fund balance; CF provides back office support • \$10,000 fund minimum 	<ul style="list-style-type: none"> • Thousands of dollars for legal and accounting expenses and filing fees • Typically millions of dollars
Privacy & Reporting	<ul style="list-style-type: none"> • Included as part of CF's annual Form 990 • Donor assets and grant activity are listed as the CF's activity, and kept completely anonymous 	<ul style="list-style-type: none"> • Must file an annual Form 990-PF • Asset and grant information is public through Form 990
Income Tax Deductions for:	<ul style="list-style-type: none"> • Cash • Appreciated Stock • Real Estate and Closely Held Stock 	<ul style="list-style-type: none"> • Up to 60% AGI • Fair market value up to 30% of AGI • Fair market value up to 30% of AGI
		<ul style="list-style-type: none"> • Up to 30% AGI • Fair market value up to 20% of AGI • Cost basis up to 20% of AGI

Questions? Call us to learn more about setting up a fund at the community foundation!

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community foundation