

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!**

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	Donor Advised Fund at CF	Private Foundation
Legal Entity / Tax Status	• Component fund at CF • Public charity	• Separate nonprofit entity • Private charity
Donor Involvement	• Donor recommends grants to nonprofits • CF approves request	• Donor appoints board to oversee grantmaking decisions
Minimum Distribution / Grantmaking Support	• No minimum distribution • Local expertise can help identify and assess grant recipients, provide input on community needs, and verify nonprofit status of groups	• Required to 5% distribution of net asset value annually • Researches and evaluates its own grants
Administrative & Investment Costs / Minimum Contribution	• Zero start up costs; 1% annual fee on the first million with a sliding scale; CF provides back office support • Low cost investment pool option with .032% expense ratio (3.2 basis points) • \$10,000 fund minimum	• Thousands of dollars for legal and accounting expenses and filing fees • Investment fees vary • Many private foundations are \$5M+ in assets
Privacy & Reporting	• 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	• Must file an annual Form 990-PF • Asset and grant information is public through Form 990-PF and can be found easily through a google search
Income Tax Deductions for: • Cash • Appreciated Stock • Real Estate and Closely Held Stock	• Up to 60% of adjusted gross income (AGI) • Fair market value up to 30% of AGI • Fair market value up to 30% of AGI	• 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**