

TOOLS FOR GIVING

Comparing four approaches to giving

Discover the benefits of working through your community foundation

| | Community Foundation Donor Advised Fund | Commercial Gift Fund | Community Foundation Supporting Organization | Private Foundation |
|--|--|--|---|---|
| <i>Items to consider</i> | | | | |
| Donor Involvement | Donor recommends grants to qualified nonprofit groups. Grants are approved by community foundation board of directors. | Donor recommends grants to qualified nonprofit groups. Grants are approved by trustees of the gift fund. | Community foundation and donor work together to appoint board. Supporting Organization board often controls investments and grantmaking. | Donor appoints board, which controls investments and grantmaking. |
| Tax Status | Public charity. | Public charity. | Public charity. | Private charity. |
| Income Tax Deductions for Gifts of: | | | | |
| <i>Cash</i> | Up to 50% of adjusted gross income. | Up to 50% of adjusted gross income. | Up to 50% of adjusted gross income. | Up to 30% of adjusted gross income. |
| <i>Appreciated stock</i> | Fair market value up to 30% of adjusted gross income. | Fair market value up to 30% of adjusted gross income. | Fair market value up to 30% of adjusted gross income. | Fair market value up to 20% of adjusted gross income. |
| <i>Real estate and closely held stock</i> | Fair market value up to 30% of adjusted gross income. | Fair market value up to 30% of adjusted gross income. | Fair market value up to 30% of adjusted gross income. | Cost basis up to 20% of adjusted gross income. |
| Grantmaking Support | Professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups. | Varies. | Professional staff available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups. | Donors must arrange and support their own grantmaking and monitoring structure. |
| Start-up Costs | | | | |
| <i>Initial costs</i> | None. | None. | Costs kept to a minimum through collaboration with community foundation. | Several thousand dollars for legal and accounting expenses and filing fees. |
| <i>Minimum contribution</i> | Thousands of dollars. | Thousands of dollars. | Typically millions of dollars. | Typically millions of dollars. |
| Administrative Requirements | | | | |
| <i>Ongoing costs</i> | Pooled administration; annual fee. | Varies. | Costs kept to a minimum through collaboration with community foundation. | Several thousand dollars for legal and accounting expenses and filing fees. |
| <i>Reporting</i> | Community foundation handles reporting. | Financial institution handles reporting. | Annual 990 tax form must be filed. | Annual 990 tax form must be filed. |