

DONOR ADVISED FUND VS. PRIVATE FOUNDATION

Which option is right for you?



	DONOR ADVISED FUND of The Community Foundation	PRIVATE FOUNDATION
Creating the Fund	A component part of The Community Foundation established by a simple fund agreement	Separate Nonprofit Corporation or Trust organized as a private foundation
Recommended Size	\$10,000 minimum for a non-endowed fund, \$25,000 minimum of an endowed fund	\$10 Million recommended minimum to justify operating costs
Start Up Costs	None	All legal, accounting and filing fees
Ongoing Administration and Annual Costs	Up to 1.75% annually depending on the size of the fund, plus an investment fee of up to 1.0% annually. 3% on all gifts to non-endowed funds with no additional annual fees	All costs including, legal, accounting, payroll and audit are incurred by the foundation
Tax Exempt Status	Shares The Community Foundation's public charity tax-exempt status	Must apply for private foundation tax exempt status from the IRS
Excise Taxes	None	Subject to 1-2% annually
Charitable Deductions for Cash Gifts	Tax deduction of up to 60% of adjusted gross income	Tax deduction limited to 30% of adjusted gross income

Comparison of Donor Advised Fund and Private Foundation

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Charitable Donations for Appreciated Property, Including Appreciated Stock and Real Estate and Closely Held Stock	<p>Tax deduction available for full fair market value of marketable securities and other property for those who itemize deductions</p> <p>Tax deduction of up to 30% of adjusted gross income</p>	<p>Tax deduction for full-market value of marketable securities only; deductions for other property is limited to the lower cost or fair market value</p> <p>Tax deduction of up to 20% of adjusted gross income</p>
Grantmaking Support	<p>Due diligence and review of all grantees recommended by donor</p> <p>Donor education sessions on work of local nonprofit agencies</p> <p>Research on specific non-profits provided upon request</p>	<p>Compliance with all evaluation, monitoring and reporting procedures as required</p>
Payout Requirements	<p>None</p>	<p>Required annual minimum payout of 5% of all assets, subject to penalty on undistributed amount</p>
Investment Support	<p>Assets professionally invested and managed through The Community Foundation</p>	<p>Must secure and oversee own investments</p> <p>Foundation must pay investment manager fees</p>
Privacy and Confidentiality	<p>Fund may be named or anonymous. Contributions, assets and grants may be kept confidential</p>	<p>Detailed public disclosure annually from posting of IRS 990F which makes public all assets and grants</p>



Rob DeGraff

About Us

Since 1998, The Community Foundation San Luis Obispo County has been a trusted philanthropic resource for our county. The Community Foundation has supported our county with grants and scholarships totaling more than \$37 million since 1998. The Foundation's assets under management are over \$60 million and provide support to all aspects of our community in perpetuity.

To access our resources, please contact Cecelia Mazelin, Donor Services Coordinator at cecelia@cfsloco.org or call 805-543-2323.