



Choosing the Right Philanthropic Vehicle

Comparing Private Foundations and Donor Advised Funds

If you are considering a private foundation, or looking to dissolve one, it's wise to take a moment to compare your options.

For many, a donor advised fund at the Community Foundation is a better choice than a private foundation. Administrative costs are lower, tax deductibility and privacy options are greater, and donors can take advantage of our team of experts to help with impactful grantmaking and other philanthropic strategies.

In addition to administrative support, we can share insights about leading community issues, introduce you to fellow philanthropic and community leaders, and help your family navigate complex issues, such as multi-generational giving.

	PRIVATE FOUNDATION	DONOR ADVISED FUND
ADMINISTRATIVE FEES	Typically high, but can be modest	Fees starting at 1% and decreasing for balances over \$1 million
SET-UP PROCESS	Legal work required, can be time consuming	Can be done in less than a day with no set-up fee
TAX DEDUCTIONS FOR CONTRIBUTIONS	<ul style="list-style-type: none"> • Cash: 30% of AGI • Securities: 20% of AGI • Privately Owned Assets: Cost Basis 	<ul style="list-style-type: none"> • Cash: 60% of AGI • Securities: 30% of AGI • Privately Owned Assets: Fair Market Value
EXCISE TAXES	Up to 2% of annual investment income	None
ANNUAL DISTRIBUTIONS (GRANTMAKING)	Required 5% distribution	Flexible, with no minimum requirement
ANONYMITY	No	Yes, donors can choose full/partial anonymity if desired
LEAD BENEFICIARY OF CHARITABLE LEAD ANNUITY TRUST	No	Yes
PERPETUITY	Yes, if desired	Yes, if desired
ONGOING ADMINISTRATION	Responsible for administration and IRS filings	Community Foundation handles all administration and IRS filings