

# Community Foundation

of St. Clair County

## Comparison of a Donor Advised Fund to a Private Foundation

Points to Consider	Donor-Advised Fund at CFSCC	Private Foundation
<b>Legal Identity</b>	Donor Advised Fund at the Community Foundation of St. Clair County	Separate nonprofit entity
<b>Tax Status</b>	Public Charity	Private Charity
<b>Donor Involvement</b>	Donor recommends grants to nonprofits. Grants are approved by CFSCC Trustees	Donor appoints board which controls investments and grantmaking. Subject to IRS requirements
<b>Privacy</b>	Donor may be anonymous	Information is public
<b>Minimum Contribution</b>	\$25,000	Typically several million dollars
<b>Annual Charitable Payout</b>	None required	At least 5% of assets
<b>IRS Reporting</b>	CFSCC handles	Annual Form 990 filed with required reporting schedules
<b>Liability and Risk Insurance</b>	Provided by CFSCC	Purchased by the foundation
<b>Fiduciary Responsibility</b>	CFSCC fulfills	Board fulfills
<b>Leveraging Gifts</b>	The CFSCC can help you leverage your gift by partnering with other funds and Foundations to carry out a charitable vision.	Typically limited to your private foundation funds only. Complexities arise when accepting donations from individuals.
<b>TAX DEDUCTIONS</b>		
<b>Income Tax Deductions for Cash Gifts</b>	Up to 50% of adjusted gross income	Up to 30% of adjusted gross income
<b>Income Tax Deductions for Appreciated Stock Gifts</b>	Fair market value up to 30% of adjusted gross income	Fair market value to the 20% of adjusted gross income
<b>Income Tax Deductions for Real Estate and Closely-Held Stock Gifts</b>	Fair market value up to 30% of adjusted gross income	Cost Basis up to 20% of adjusted gross income
<b>ADMINISTRATION and GRANTMAKING</b>		
<b>Grantmaking</b>	CFSCC assists donors in identification and vetting of nonprofits	Establish and support a grantmaking and monitoring structure
<b>Administration</b>	Services provided by CFSCC	Accounting, investments and IRS filings handled by foundation
<b>Geographic constraints</b>	None. Grants can be made to any eligible nonprofit in the country, even world-wide.	None
<b>EXPENSES</b>		
<b>Start-up Cost</b>	None	Varies with size and complexity
<b>Administrative and Investment Fees</b>	1.5% of fund assets annually	Varies with size and complexity
<b>Tax on Investment Income</b>	None	Up to 2% annually
<b>Excise Taxes</b>	None	Subject up to 2% of net investment gain, including net capital gain and income