

## Comparison of Community Foundation Funds and Private Grantmaking Foundations

	<b>Community Foundations</b>	<b>Private Foundations</b>
<b>Tax treatment of cash gifts</b>	Deductible up to 50% of adjusted gross income (AGI).	Deductible up to 30% of AGI.
<b>Tax treatment of gifts of appreciated publicly-traded securities</b>	Full market value deduction up to 30% of AGI.	Full market value deduction up to 20% of AGI.
<b>Tax treatment of closely held stock, real estate, or other appreciated property</b>	Full market value deduction up to 30% of AGI.	Deduction limited to donor's cost basis, up to 20% of AGI.
<b>Excise taxes</b>	None imposed.	1-2% paid annually based upon net income and net realized capital gains (no step up in basis for assets donated to the foundation).
<b>Ease of establishment - Timing</b>	Immediate.	Average of six months to incorporate and file with IRS.
<b>Cost</b>	None.	Significant legal and accounting expenses.
<b>Required payout</b>	None. Able to accumulate income toward a sizable project or grant. Flexibility to hold low yield assets.	Must expend at least 5% annually, regardless of income, investment earnings, or grantmaking needs.
<b>Annual IRS tax returns</b>	No separate tax return required; included in community foundation's consolidated return.	Required to file annual returns including details on all grants, investments, fees, trustee fees, staff salaries, etc.
<b>Privacy and recognition</b>	Donors generally recognized for grants disbursed from their funds, but grants and donors can remain anonymous if preferred.	Tax returns are public records and often are compiled into grant seeker directories.
<b>Grants administration</b>	Donors can serve as grant making advisors, or the Community Foundation can identify potential recipients, make grant payments, and monitor performance.	Trustees must perform, contract, or hire staff for these services.
<b>General administration and fees</b>	Investment, financial, and administrative management are handled by the community foundation. Total annual fees typically range from 1.0 – 2.5%.	Trustees must perform, contract, or hire staff for these services. Total annual fees typically range from 3.0 – 5.0%, and may decrease as assets grow.