

# Family Foundation Options

Attributes	Donor Advised Funds	Private Foundations
<b>Set-up</b>		
Timing	Can be established in a matter of days	May require a month or more to establish and qualify for exemption
Minimum to establish	\$10,000	Typically \$1,000,000 or more to justify set-up and administration expenses
Incorporation	No incorporation required; tax exemption falls within Community Foundation's umbrella	Must apply for incorporation and tax exemption; tax exempt status may take up to 18 months for approval
Start-up costs	No start-up costs	Significant legal and accounting start-up costs
Tax returns	Community Foundation handles all filings	Annual 990 must be filed with IRS
<b>Amount Deductible</b>		
Cash and publicly-traded securities	Fair market value	Fair market value
Other appreciated assets	Fair market value	Limited to cost basis
<b>Percentage Limitations</b>		
Cash gifts	50% of adjusted gross income	30% of adjusted gross income
Appreciated property	30% of adjusted gross income	20% of adjusted gross income
<b>Other Considerations</b>		
Excise tax on investment income	None	2%
Donor control	Advisory privileges	Legal control
Anonymity	Yes; donors and grants can be private, and the Community Foundation can serve as a buffer between donor and grant-seekers	No; must file detailed returns on grants, investments, fees, salaries, etc.
Annual distribution requirements	None	5%
Ongoing administration	Community Foundation handles all administration responsibilities for the fund	Private foundations responsible for all functions of administration
<b>Primary Advantages</b>		
	Low start-up cost, deductibility, nonprofit knowledge, anonymity, flexibility, permanence and simplicity	Control, independence, and family identity

