

Options At The Community Foundation(TCF) Compared with a Private Foundation

	Private Foundation	Unrestricted Fund Or Designated Fund Of TCF	Donor Advised Fund Of TCF	Supporting Organization of TCF
Legal Identity	Separate nonprofit entity	(Donor's Choice of Name) Fund of TCF	(Donor's Choice of Name) Fund of TCF	Separate nonprofit Entity affiliated with TCF
Tax Status	Private Foundation	Public Charity	Public Charity	Public Charity
Taxation of Investment Income	Up to 2% annually	None	None	None
Pay-out Requirement	Grants must equal 5% of principal annually	None	None	None
Deductibility of Gifts	Cash gifts deductible up to 30% of adjusted gross income (AGI); gifts of appreciated property deductible at fair market value (up to 20% of AGI)	Cash gifts deductible up to 50% of adjusted gross income (AGI); gifts of appreciated property deductible at fair market value (up to 30% of AGI)	Cash gifts deductible up to 50% of adjusted gross income (AGI); gifts of appreciated property deductible at fair market value (up to 30% of AGI)	Cash gifts deductible up to 50% of adjusted gross income (AGI); gifts of appreciated property deductible at fair market value (up to 30% of AGI)
Administration	Detailed annual filing with IRS	All record-keeping and accounting performed by TCF	All record-keeping and accounting performed by TCF	All record-keeping and accounting performed by TCF
Grantmaking Expertise	Larger foundations require a professional staff.	TCF staff assists in reviewing and monitoring proposals.	TCF may staff assist in reviewing and monitoring proposals.	TCF may staff assist in reviewing and monitoring proposals.
Control	Trustees have complete control of grantmaking distributions and responsibility for asset management.	TCF Board of Trustees is responsible for grant-making to carry out donor's intent and for asset management.	Donor advisor(s) may make grant recommendations subject to TCF Board approval; TCF is responsible for asset management.	Has own Board of Trustees, which is responsible for grantmaking and asset management.
Cost	<ul style="list-style-type: none"> • Significant cost to establish. Annual operating costs include legal and accounting fees, insurance, office space, staff and miscellaneous expenses. 	<ul style="list-style-type: none"> • No cost to establish. • Administrative cost of 1% on first \$2 million of designated fund (declining fee scale on amounts over \$2 million) or 2% on unrestricted fund; plus pro rata share of investment management costs. 	<ul style="list-style-type: none"> • No cost to establish. • Administrative cost of 1% on first \$2 million (declining fee scale on amounts over \$2 million); plus pro rata share of investment management costs. • From each new gift, 1% fee goes to unrestricted endowment for local grantmaking. 	<ul style="list-style-type: none"> • Modest cost to establish. • Administrative costs to operate depend on size, purpose of fund and nature & extent of services TCF is to provide.