

Comparing Charitable Foundations

Income Tax Deductions

	Private Foundation	Community Foundation
Amount Deductible subject to % limitations		
• Publicly Traded Stock	Fair Market Value	Fair Market Value
• Other Property	Cost Basis	Fair Market Value
Percentage Limitations (adjusted gross income)		
• Cash gifts	30 %	60 %
• Capital Gain Property	20 %	30 %
• Carry over available	Yes	Yes

*The table above assumes that the donor's income allows for full deductions.

Operating Rules of the Internal Revenue Code

	Private Foundation	Community Foundation
Excise tax on investment income	Yes	No
Minimum payout requirements	Yes	No
Restrictions on "self dealing"	Yes	No*
Prohibition against grants to support lobbying	Yes	No
Legal control in grantmaking and investment of assets	Limited by IRS requirements	Subject to CF's final approval.
Compensation for staff, or trustees	Yes	No

Administration, Accounting and Tax Preparation

	Private Foundation	Community Foundation
Incorporation and tax exempt filing required	Yes	No
Separate tax return required	Yes	No
Separate account statements required	Yes	No
Privacy of assets, gifts and grants	No	Yes
Liability and risk protection	Must be provided by the foundation.	Community Foundation covers liability and risk.
Average annual costs	3% to 5% minimum	Average annual fee is 1%
Anonymity & privacy of assets, gifts and grants	No	Yes

Primary Advantages

	Private Foundation	Community Foundation
	<ul style="list-style-type: none"> • Control • Family Identity & Independence • Employment of Children 	<ul style="list-style-type: none"> • Flexibility • Deductibility • Permanence • Freedom from Administration • Nonprofit Knowledge • Privacy

*Does not apply to all donor advised funds