



Private Foundation Options

Considerations & Options	Donor Advised Fund at the Community Foundation	Private Foundation
Set-up Costs:	None	Legal, accounting, investment and administrative expenses can exceed \$5,000.
Time Frame:	Immediate	Generally 1-2 months
Minimum Contribution:	\$25,000 for endowed fund	\$1 million recommended to justify startup and maintenance costs
Income Tax Deductions		
Cash:	Deduction of up to 50% of AGI	Deduction of up to 30% of AGI
Publicly Traded Securities:	FMV deduction of up to 30% of AGI	FMV deduction of up to 20% of AGI
Real Estate/Closely Held Stock:	FMV deduction of up to 30% of AGI	Deduction is limited to the donor's cost basis or FMV, whichever is lower, up to 20% of AGI
Administrative Services:	Services covered by an annual fee of 1% of fund value; reduced fee structure above \$500,000	Performed by trustees, staff or outside professional agencies
Investment Management:	Professional investment management and oversight for 1% of fund value	Managed by trustees, staff or outside professional agencies
Tax Status:	501(c)(3) public charity status as a component part of CFSC	501(c)(3) private foundation; not as favorable as public charity status
Tax Return & Audits:	Not Applicable	Performed by trustees, staff or professionals
Income Tax:	Not Applicable	2% of net investment income
Private Foundation Excise Taxes:	Not Applicable	Various excise taxes imposed for failure to meet payout requirements and for engaging in certain prohibited transactions
Payout Requirements	No required payout	Annual payout of at least 5% of foundation assets regardless of foundation's income for charitable purposes
Donor Involvement	Donor makes grants from fund.	Donor appoints board, which controls investments and grantmaking
Grantmaking Support	CFSC conducts required IRS due diligence and provides a variety of services to donors	Performed by trustees, staff or outside professional agencies

CFSC=Community Foundation of Snohomish County, AGI=Adjusted Gross Income, FMV=Fair Market Value