

Community Foundations and Private Foundations

This chart summarizes key differences between donor advised funds at Coastal Community Foundation and private foundations.

	CCF Donor Advised Fund / Community Foundation	Private Foundation
Donor Control of Grantmaking and Investments	Donor recommends grants to qualified nonprofit groups. .	Donor appoints board, which controls investments and grantmaking.
Tax Status	Covered under CCF's public charity status.	Applies to IRS for private foundation tax-exempt status.
Income Tax Deductions for Gifts of:	CCF Donor Advised Fund	Private Foundation
<i>Cash</i>	Up to 50% of adjusted gross income.	Up to 30% of adjusted gross income.
<i>Publicly Traded Securities</i>	Fair market value up to 30% of adjusted gross income.	Fair market value up to 20% of adjusted gross income.
<i>Real Estate & Closely Held Securities</i>	Fair market value up to 30% of adjusted gross income.	Deductible at cost basis.
Grantmaking Advice and Follow-up	Professional staff is available to help identify and assess grantees, provide input on community needs, and ensure recipients are qualified and effective. Educational programs available.	Foundation must arrange and support its own grantmaking and monitoring structure.
Grants to Individuals	Allowed under some circumstances (e.g., scholarships).	Allowed under some circumstances (e.g., scholarships). Extra oversight required.
Distribution Requirements	None.	At least 5% of net asset value annually. Can be distributed to a fund at CCF.
Start-Up Considerations	CCF Donor Advised Fund	Private Foundation
<i>Costs</i>	None.	Several thousand dollars for legal and accounting expenses and filing fees.
<i>Time-Frame</i>	Immediate.	Several months.
<i>Minimum Contribution</i>	\$5,000	None, but smaller private foundations may not be cost-effective.
Annual Administrative Requirements	CCF Donor Advised Fund	Private Foundation
<i>Fees</i>	2% annually	Grantmaking, administrative, and investment support are staffed and financed independently.
<i>Taxes</i>	None.	Excise tax of up to 2% of net investment income, including net capital gains.
<i>Reporting</i>	None.	Annual tax return, including detailed financial schedules, filed by foundation.
Privacy	Donors may remain anonymous.	Donors may remain anonymous, but IRS 990PF form lists officers, directors, and trustees.