



	Donor Advised Funds	Private Foundations
Setup Time	Immediate.	May take several weeks or months.
Startup Costs	No cost to donor.	Will incur substantial legal, accounting and possible operational start-up costs.
Required Distributions	No specific annual distribution is required. Typically, CFBMC endowment fund distribute 4.5% of a 16 quarter rolling average of fund balances on an annual basis. However, this is not legally required.	Annual distribution of 5% required by IRS.
Annual Taxes	None.	Generally exempt from income tax, but subject to excise tax of up to 2% of net investment income.
Tax Deduction Limits	<p>Income Tax Deductions</p> <ul style="list-style-type: none"> <li>• Cash: Up to <b>50%</b> of adjusted gross income.</li> <li>• Appreciated publicly traded stock: fair market value up to <b>30%</b> of adjusted gross income.</li> <li>• Long term real estate and closely held securities: fair market value up to 30% of adjusted gross income.</li> <li>• Unused deductions carried forward.</li> </ul>	<p>Income Tax Deductions</p> <ul style="list-style-type: none"> <li>• Cash: Up to <b>30%</b> of adjusted gross income.</li> <li>• Appreciated publicly traded stock: fair market value up to <b>20%</b> of adjusted gross income.</li> <li>• Long term real estate and closely held securities: deductible at cost basis.</li> </ul>
Privacy	You may choose to make grants anonymously, no required public disclosure.	Annual tax returns and filings must be open for public inspection.
Grant-making	You have access to professional grant-making staff. You make grant recommendations and CFBMC conducts due diligence. To protect tax deductibility, final oversight rests with CFBMC.	You are on your own as you investigate and analyze potential grants and bear the expense of funding foundation staff. You retain complete control over investments and grant-making.
Ongoing Management/ Administrative Fees	Subject to CFBMC policy for annual administrative and investment costs. Fees are tiered based upon fund size. Fees cover costs for administration, investment, and granting. The Community Foundation handles all reporting.	Ongoing expenses include annual legal and accounting expenses and filing fees. A form 990-PF must be filed annually.
Recommended Size	Only \$20,000 is required to establish a named fund.	Substantial assets generally required.
Liability & Risk Insurance	Provided by CFBMC.	May need to be purchased by private foundation.

*\*IRS regulations can change annually. Always consult your professional advisor when making a decision regarding tax deductions and contributions.*