



COMMUNITY FOUNDATION  
OF GREATER BIRMINGHAM

*At the heart of community. Giving to the future.*

### Comparison of Charitable Vehicles

	<b>DONOR ADVISED FUND</b> at the Community Foundation	<b>PRIVATE FOUNDATION (PF)</b>
<b>Creation of Fund</b>	Component fund of The Community Foundation	Corporation or trust independently organized as a private foundation
<b>Tax-Exempt Status</b>	Holds beneficial IRS Public Charity status	Applies to IRS for private foundation status
<b>Minimum Size</b> <b>Maximum Size</b>	\$15,000 Unlimited	Substantial assets required Unlimited
<b>Charitable Deductions:</b> <b>Cash Gifts</b> <b>Publicly Traded Stock</b> <b>Other Appreciated Property</b>	Up to 60% AGI* FMV, up to 30 % AGI FMV, up to 30% AGI	Up to 30% AGI FMV, up to 20% AGI Donor's basis, up to 20% AGI
<b>Grantmaking</b>	Grants made through CFGB to IRS sanctioned charities	Grants made by PF Board to IRS sanctioned charities**
<b>Investment Control</b>	Investments managed by CFGB Board	Investments managed by PF Board
<b>Grant Tracking and Record Keeping</b>	Provided by The Community Foundation	Must establish and/or obtain these services
<b>Annual Payout Requirements</b>	None	Annual grants must exceed 5% of asset value
<b>Annual Costs</b>	Administrative fee of 1% of fund's balance, plus an investment management fee	Legal and accounting fees, insurance, poss. office space, staff, misc. expenses
<b>Annual Taxes</b>	None	2% excise tax on net investment gain
<b>Annual Tax Filings and Returns (990s)</b>	Not required	Filed by PF with required supporting schedules
<b>Public Disclosure</b>	No public listing of names or contributions; donor may be completely anonymous	Public listing of board members and financial information
<b>Succession Options</b>	The Community Foundation works with donors to safeguard their charitable wishes after their death.	Must be carefully planned and well documented to accommodate unforeseen changes.

\* AGI – Adjusted Gross Income, FMV = Fair Market Value; deductions may be carried forward for up to 5 years

\*\*Grants to entities other than 501 (c)(3) IRS sanctioned charities – such as individuals and foreign organizations – may be required to comply with extensive record keeping and/or prior IRS approval.