

# Comparing four approaches to giving

Discover the benefits of working through your local community foundation

|  | Community Foundation<br>Donor Advised Fund   | Commercial Gift Fund   | Community Foundation<br>Supporting Organization   | Private Foundation  |
|--|--|--|---|---|
| <i>Items to consider</i>                   |  |  |   |   |
| <b>Donor Involvement</b>                   | Donor recommends grants to qualified nonprofit groups. Grants are approved by community foundation board of directors.                         | Donor recommends grants to qualified nonprofit groups. Grants are approved by trustees of the gift fund. | Community foundation and donor work together to appoint board. Supporting Organization board often controls investments and grantmaking.    | Donor appoints board, which controls investments and grantmaking.               |
| <b>Tax Status</b>                          | Public charity.  | Public charity.  | Public charity.   | Private charity.  |
| <b>Income Tax Deductions for Gifts of:</b> |  |  |   |   |
| <i>Cash</i>                                | Up to 50% of adjusted gross income.  | Up to 50% of adjusted gross income.  | Up to 50% of adjusted gross income.   | Up to 30% of adjusted gross income.   |
| <i>Appreciated stock</i>                   | Fair market value up to 30% of adjusted gross income.  | Fair market value up to 30% of adjusted gross income.  | Fair market value up to 30% of adjusted gross income.   | Fair market value up to 20% of adjusted gross income.                           |
| <i>Real estate and closely held stock</i>  | Fair market value up to 30% of adjusted gross income.  | Fair market value up to 30% of adjusted gross income.  | Fair market value up to 30% of adjusted gross income.   | Cost basis up to 20% of adjusted gross income.                                  |
| <b>Grantmaking Support</b>                 | Professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups. | Varies.  | Professional staff available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups. | Donors must arrange and support their own grantmaking and monitoring structure. |
| <b>Start-up Costs</b>                      |  |  |   |   |
| <i>Initial costs</i>                       | None.  | None.  | Costs kept to a minimum through collaboration with community foundation.  | Several thousand dollars for legal and accounting expenses and filing fees.     |
| <i>Minimum contribution</i>                | Donation amounts can vary- visit with your local community foundation.   | Thousands of dollars.  | Typically millions of dollars.  | Typically millions of dollars.  |
| <b>Administrative Requirements</b>         |  |  |   |   |
| <i>Ongoing costs</i>                       | Pooled administration; typically an annual "fee."  | Varies.  | Costs kept to a minimum through collaboration with community foundation.  | Several thousand dollars for legal and accounting expenses and filing fees.     |
| <i>Reporting</i>                           | Community foundation handles reporting.  | Financial institution handles reporting.   | Annual 990 tax form must be filed.  | Annual 990 tax form must be filed.  |



Find your local Community Foundation at  
[www.IowaCommunityFoundations.org](http://www.IowaCommunityFoundations.org)