

Family Foundation Options

Attributes	Private Foundations	Community Foundations	Supporting Organizations (Type 1)
Amount Deductible			
Cash and Publicly-Traded Securities	Fair Market Value	Fair Market Value	Fair Market Value
Other Appreciated Property	Limited to Cost Basis	Fair Market Value	Fair Market Value
Percentage Limitations			
Cash Gifts	30% of Adjusted Gross Income	50% of Adjusted Gross Income	50% of Adjusted Gross Income
Appreciated Property	20% of Adjusted Gross Income	30% of Adjusted Gross Income	30% of Adjusted Gross Income
Other Considerations			
Excise Tax on Investment Income	2%	None	None
Donor Control	Legal	Advisory	Minority of Board Members
Anonymity	No – Must file detailed returns on grants, investments, fees, salaries, etc.	Yes – Donors and grants can be private. Foundation can serve as a buffer between donor and grant-seekers.	Limited
5% Annual Distribution Requirement	Yes	No – Not for each fund. Although the Foundation collectively grants in excess of 5% annually.	No
Incorporation, Tax Exemption, Audit/Tax Returns, Directors/Officers Insurance, Grants Management, Investment Management, Compliance	Responsible for all functions, foundations less than \$10 million have annual expenses averaging .95% (this percentage does not include the legal costs associated with set-up or annual accounting and investment fees)	Community foundation handles all administration for a tiered fee based on fund size. Fees range from .65-1%. (Investment fees are assessed separately and vary depending on the option requested)	Attached to community foundation; fees are generally similar to private foundations.
Primary Advantages			
	Control, Independence, and Family Identity	Deductibility, Nonprofit Knowledge, Flexibility, Permanence, Simplicity and Freedom from Care	Deductibility, Separate Board, Family Identity, and More Apparent Control