DONOR-ADvised FUND
vs. PRIVATE FOUNDATION

If you are considering a private foundation, CFV offers a Donor-Advised Fund that has all
the elements of a private foundation with greater tax benefits and without the administrative
hassles.

DONOR-ADvised FUND

A Donor-Advised Fund with the
Community Foundation of the Valleys
is a simple agreement with zero
start-up fees or costs.

A Donor-Advised Fund’s current year tax
benefits are generally 50-65% higher
than a Private Foundation: 50% for cash
gifts and 30% for appreciated property gifts.

Community Foundation of the Valleys
handles all financial and administrative
services, files annual tax return
and provides independent audits.

A Donor-Advised Fund is automatically
covered by the Community Foundation
of the Valleys’ D&O Liability and
Office Insurance.

No annual payout is required with a
Donor-Advised Fund which provides
the opportunity to accumulate
income for a sizeable project or grant.

Donor and grant information is kept
confidential: the Community Foundation
of the Valleys can also act as a buffer
between the donor and grantseekers.

PRIVATE FOUNDATION

A Private Foundation must
incorporate and apply to the IRS
for tax-exempt status: Legal and
Accounting fees can add up quickly.

A Private Foundation’s current year
tax benefits are limited to 30% of
income for cash gifts and 20% for
appreciated property gifts.

A Private Foundation must file an
annual 990-pf tax return: resulting
in additional financial, legal and
administrative expenses.

All director’s and officer’s
liability insurance, employee
bonding and office insurance
must be purchased separately.

A Private Foundation is required to
distribute 5% of assets annually to
avoid penalties and must verify the
charitable status of every recipient.

A Private Foundation’s tax returns,
grants, investment fees, staff
salaries, etc. are all public records
and are easily assessable online.

We advance your cause for good. In the Valleys.