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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.