

Comparing Four Approaches to Giving: Discover the benefits of working through CFA

ITEMS TO CONSIDER	CFA Charitable Savings Account	Commercial Gift Fund (e.g. Fidelity, Vanguard et al)	Family Foundation Alternative (Supporting Foundation)	Private, Family Foundation
Donor Involvement	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.
Tax Status	Public charity.	Public charity.	Public charity.	Private charity.
Income Tax Deductions for Gifts of:				
<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 publicly traded 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 OR cost basis up to 50% of adjusted gross income.	Fair market value up to 30% of adjusted gross income OR cost basis up to 50% of adjusted gross income.	Fair market value up to 30% of adjusted gross income OR cost basis up to 50% of adjusted gross income.	Cost basis up to 20% of adjusted gross income.
Excise tax on investment income and net realized capital gains	None	None	None	Excise tax of 1-2% paid annually based on net income and net realized capital gains (no sep-up in basis for asset donated to the foundation).
Minimum Payout Requirements	None; can accumulate toward a sizable project or grant with no required payout.	None; however, some funds have committed to policing payouts	None; can accumulate toward a sizable project or grant with no r required payout.	Yes, a minimum 5% of average asset value each year under IRC Section 4942; a private foundation must meet the minimum distribution rules whether or not the foundation's investment earn that amount.
Privacy	Individual donor's fund assets size, gifts and grantmaking are kept private and confidential. No public disclosure of individual grants or donations is required. Donors are generally recognized for grants disbursed, but grants may be made anonymously. If a donor wishes, the community foundation can serve as the buffer between donors and grant seekers.	Individual donor's fund assets size, gifts and grantmaking are kept private and confidential. No public disclosure of individual grants or donations is required. Donors may publicize their grantmaking or make grants anonymously.	Individual donors' fund assets size, gifts and grantmaking are kept private and confidential. No public disclosure of individual grants or donations is required. However, due to the complexities associated with it's establishment, public disclosure could vary. Donors are generally recognized for grants disbursed, but grants may be made anonymously. If a donor wishes, the community foundation can serve as the buffer between donors and grant seekers.	IRS Form 990-PF is open to public inspection. Private foundations are required to file detailed tax returns on grant issued, investment fees, trustee fees, staff salaries, asset size, etc., and then publish a notice to the public that the tax return is available for public viewing. These are published records and are often compiled into grant-seeker directories.
Grantmaking Support	Professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups.	Generally, it is the responsibility of the donors, not that of the Commercial Gift Fund, to research and identify needs and verify nonprofit status of groups.	Professional staff is 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.
Start-Up Costs				
<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>	No minimum	Typically \$10,000	Generally, \$1 million or more.	Typically millions of dollars.
Administrative Requirements				
<i>Ongoing costs</i>	Pooled administration; 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.