



COMMUNITY FOUNDATION OF NORTHERN COLORADO



COMPARING CHARITABLE GIVING OPTIONS

There are three charitable giving vehicles many people consider to elevate their charitable giving, ensuring their approach is organized, tax-advantageous, and meaningful:

- 1. Opening a charitable giving fund at a local community foundation,** like the Community Foundation of Northern Colorado
- 2. Establishing a private family foundation**
- 3. Opening a commercial gift fund** at a company like Fidelity or Schwab

We believe establishing a charitable fund at a community foundation provides you with opportunities to strengthen your local community, network with like-minded people, and maximize the impact of your charitable giving in ways private foundations and commercial gift funds cannot. As you consider the various charitable giving vehicles available to you, we hope the chart on the following page can help you decide what option is right for you.

4745 Wheaton Drive, Fort Collins, CO 80525 | 970.224.3462 | www.NoCoFoundation.org

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	CHARITABLE FUND AT A COMMUNITY FOUNDATION (CF)	COMMERCIAL GIFT FUND	PRIVATE FOUNDATION (PF)
SET-UP CONSIDERATIONS			
Costs	None	None	Legal, accounting & filing
Timeframe	Immediate	Immediate	Up to 6 months
Minimum Contribution	Designated Fund: \$10,000 Donor Advised Fund: \$25,000 Nonprofit Agency Fund: \$10,000 Field of Interest Fund: \$25,000	Depends, but generally low	No required minimum, but it is generally agreed that it takes at least \$5 million to justify the start-up and ongoing administrative costs
Self-Dealing Rules	n/a	n/a	Regulations prohibit most transactions between a PF and its donors and related persons
Liability & Risk Insurance	Provided	Provided	PF must provide
TAX CONSIDERATIONS			
Cash	Deduction of up to 60% adjusted gross income	Deduction of up to 60% adjusted gross income	Deduction of up to 30% adjusted gross income
Capital Gains	Deduction of fair market value up to 30% of adjusted gross income	Deduction of fair market value up to 30% of adjusted gross income	Deduction of fair market value up to 20% of adjusted gross income
Excise Taxes	No tax on fund's investment income	No tax on fund's investment income	Up to 2% of net investment income, including net capital gains
ADMINISTRATION			
Administrative Services	Accounting, audit, due diligence, check writing, etc. is handled	Accounting, audit, due diligence, check writing, etc. is handled	All costs including payroll, audit, compliance, legal, etc. are responsibility of PF
Investment Options	Three portfolio options, or donor may choose their own investment manager	Multiple investment options available	Investment vehicles selected and overseen by Board
Fund Distribution	No annual minimum, but active grantmaking is encouraged	No annual minimum	Annual required minimum distribution of 5% of assets
VISIBILITY			
Public Disclosure	No public disclosure required	No public disclosure required	PF's must disclose all grants on the IRS Form 990. PF's balance is also public information.
OTHER CONSIDERATIONS			
Donate Complex Gifts and Non-Cash Assets	Can accept liquid and complex assets including publicly traded or closely held securities, business interests, real estate, life insurance, gifts through wills, trusts, and retirement plan assets	Typically able to accept liquid and limited types of appreciated assets	PF must arrange and support its own donation process
Maintain Current Investment Manager	With a fund minimum of \$500,000, fundholders can retain their trusted investment managers to oversee fund's investment portfolio	Yes	Yes
Use of Fees	Reinvested in the community through the work of the CF; multiplies the donor's impact	Cover costs for processing transactions and fund shareholder profits	N/A
Community Expertise	In-depth knowledge of local nonprofits and community needs	Generally, not provided	PF must provide
Personalized Philanthropic Services	CF connects people who care with causes that matter while fostering a culture of impactful philanthropy	Generally, not provided	PF must provide
Education and Networking	CF provides learning opportunities and connection to other like-minded donors	Generally, not provided	PF must provide
Legacy Planning	CF can help develop custom legacy plans to ensure your charitable intentions are fulfilled. CF can also provide succession planning and family philanthropy guidance.	Generally, not provided	PF must provide