



# FAMILY PHILANTHROPY OPTIONS



TOPIC	DONOR-ADVISED FUNDS	PRIVATE OR FAMILY FOUNDATIONS
<b>DEFINITION</b>	A charitable fund established within a public charity, such as the Community Foundation, from which donors may suggest grants to nonprofit organizations	A separate, charitable organization that is established by a single source such as an individual, family or corporation rather than broadly supported by the general public
<b>CONTROL OVER INVESTMENT &amp; GRANTMAKING DECISIONS</b>	Fundholders may recommend grants but the Community Foundation is the owner of the fund	Donors/board members control grantmaking and investment decisions (subject to self-dealing rules and other compliance and disclosure requirements)
<b>REQUIRED PAYOUT</b>	None	Must disburse 5% of net asset value annually, regardless of investment return on foundation assets
<b>ONGOING ADMINISTRATIVE &amp; MANAGEMENT COSTS</b>	Varies with level of services, typically less than a private foundation	Varies with level of services and complexity
<b>START-UP COSTS</b>	None	Legal fees, filing fees and other start-up costs can be substantial
<b>PRIVACY</b>	Names of individual donors and grants can be kept confidential	Foundation tax returns are public documents published online and must include information on donations, grants, investments and expenses
<b>ASSISTANCE WITH GRANTMAKING</b>	Fundholders may rely on professional staff of Community Foundation for assistance	Foundation board acts on its own or retains staff or consultants for grantmaking support
<b>GOVERNANCE &amp; SUCCESSION</b>	Donors select advisors and successor advisors	No restrictions on who serves on board
<b>PERPETUITY</b>	Fund can revert to Community Foundation after original donors or successors pass away	Can exist in perpetuity but special planning required to assure original donor's mission and vision endures
<b>LIMITS ON TAX DEDUCTION FOR CASH GIFTS*</b>	60% of adjusted gross income	30% of adjusted gross income
<b>LIMITS ON TAX DEDUCTION FOR GIFTS OF STOCK OR REAL PROPERTY*</b>	30% of adjusted gross income on gifts; all gifted assets valued at fair market value	20% of adjusted gross income on gifts valued at fair market value; gifts other than qualified publicly traded stock valued at cost basis
<b>EXCISE TAXES</b>	None	1-2% of annual net investment income

\* Excess in any year's donations can be carried forward up to five years

## CONTACT US

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