



PRIVATE FOUNDATION COMPARISON

As a public charity, the Community Foundation of Greater Memphis has fewer Internal Revenue Service restrictions for gifts and grants than a private or family foundation.

	DONOR-ADVISED FUND AT THE COMMUNITY FOUNDATION	SUPPORTING ORGANIZATION AT THE COMMUNITY FOUNDATION	PRIVATE FOUNDATION
LEGAL IDENTITY	Fund of CFGM with donor's choice of name	Separate nonprofit corporation affiliated with CFGM; donor's choice of name	Separate nonprofit corporation with donor's choice of name
TAX STATUS	Public charity	Public charity	Private foundation
MINIMUM SIZE	\$10,000	\$2,000,000	Generally, \$1 million & up
TAXATION OF INVESTMENT INCOME	None	None	1.39%
REQUIRED PAYOUT	None	None	5% annually
DEDUCTIBILITY OF CASH GIFTS	Up to 60% of AGI	Up to 60% of AGI	Up to 30% of AGI
DEDUCTIBILITY OF LONG-TERM CAPITAL GAIN PROPERTY	Deductible at fair market value up to 30% of AGI	Deductible at fair market value up to 30% of AGI	Deductible at cost only, except for qualified appreciated securities, which are deductible at fair market value up to 20% AGI
ADMINISTRATION	CFGM responsible for all accounting & record keeping, no separate IRS filing required	CFGM responsible for all accounting, record keeping, and IRS filing	Donor responsible for all accounting & record keeping, including detailed IRS annual filing
GRANT-MAKING EXPERTISE	CFGM staff available to research donor interests, advise donor, monitor grants	CFGM staff available to research donor interests, develop applications, advise donor, monitor grants	Donor must be knowledgeable or obtain professional advice
CONTROL	Donor advisor(s) recommend grants & investment pool for CFGM Board approval	Supporting organization board has control of distributions & responsibility for asset management	Private foundation board has control of distributions and responsibility for asset management
UPFRONT COSTS	None	Local, state, & federal filing fees	Substantial organizational fees and expenses, plus local, state & federal filing fees
ANNUAL COSTS	Administrative fee of 1.25% of assets (or less depending on asset size)	Administrative fee of 1.20% of assets (or less depending on asset size)	Legal and accounting fees, insurance, possibility staff & office expenses