

## Community Foundation Southwest Louisiana Private Foundation Alternatives

	CFSWLA Donor Advised Funds	Private Foundations
<b>Creating the Fund</b>	Established at CFSWLA	Nonprofit corporation or trust independently organized as a private foundation
<b>Tax Exempt Status</b>	Shares public charity status of CFSWLA	Must apply for private foundation tax-exempt status from IRS
<b>Start-Up Costs</b>	No cost to donor	Full corporate start-up costs including: legal, accounting and filing costs
<b>Time-Frame</b>	Immediate	Several months
<b>Charitable Deductions</b>	<ul style="list-style-type: none"> <li>• Up to 60% of AGI for cash</li> <li>• Full market value, up to 30% of AGI for appreciated securities</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to 30% of AGI for cash</li> <li>• Limited to 20% of AGI for the full market value of publicly traded securities</li> <li>• Limited to 20% of AGI for cost basis only of most other property</li> </ul>
<b>Donor Control</b>	Donor holds advisory powers over grant recommendations; final decision made by CFSWLA	Donor may retain control over investments and grantmaking as a board member, subject to IRS requirements
<b>Mandatory Distributions</b>	Do not apply	Requires a minimum annual distribution roughly equal to 5% of assets
<b>Grantmaking Program</b>	Provided by CFSWLA	Must establish and/or obtain these services
<b>Management Annual Costs</b>	Blended rate on annual value of funds	Administration can be costly
<b>Annual Taxes</b>	None	Subject to excise tax of up to 2% of net investment gain, including net capital gains
<b>Annual Tax Filings and Returns</b>	Separate tax filings not required – assets included in the CFSWLA annual filings	Must be filed by the private foundation with required supporting schedules
<b>Investments</b>	Fund assets are professionally invested with JP Morgan Private Bank and Goldman Sachs through CFSWLA	Must research and secure its own investment vehicles
<b>Minimum Contribution</b>	\$10,000	None, but small private foundations may not be cost-effective

*Continued...*

## Community Foundation Southwest Louisiana Private Foundation Alternatives

	CFSWLA Donor Advised Funds	Private Foundations
<b>Fees</b>	Based on size of fund, declining for larger funds: 1% annually for the first \$999,999; .75% annually from \$1 million to \$4,999,999; .50% annually over \$5 million	Varies with choice of board and level of services required (typically 2.5% to 6% per year)
<b>Reporting</b>	Information included on reports filed by CFSWLA so no separate reporting required	Annual tax return, including detailed financial schedules, filed by private foundation