



# PRIVATE FOUNDATION vs. PCF DONOR ADVISED FUND

If you're looking for a highly personal way of giving without all the guidelines, responsibilities and costs that come along with establishing and maintaining a private foundation, then a Donor Advised Fund at the [Pasadena Community Foundation](#) is the right charitable vehicle for you.

ITEMS TO CONSIDER	PRIVATE FOUNDATION	COMMUNITY FOUNDATION DONOR ADVISED FUND
<b>Setup Procedure</b>	Must incorporate and apply for IRS tax-exempt approval	Simple agreement, can be set up in as little as one day
<b>Initial Costs</b>	Setup fees	No setup fees
<b>Ongoing Costs</b>	Liability insurance, direct administrative costs	Pooled administration, low costs
<b>Tax Benefits</b> Cash Publicly traded securities Closely held stock/real estate	<i>Less advantageous tax deductions</i> Up to 30% of adjusted gross income Fair market value up to 20% of adjusted gross income Deductible at cost basis up to 20% of adjusted gross income	<i>Greater overall tax deductions</i> Up to 60% of adjusted gross income Fair market value up to 30% of adjusted gross income Fair market value up to 30% of adjusted gross income
<b>Excise Taxes</b>	1.39% of net investment income annually.	None
<b>Reporting Requirements</b>	Annual 990-PF must be filed by foundation or hire staff	None required of the donor, community foundation handles all reporting
<b>Grantmaking</b>	Must research and identify agencies/programs to fund	Community foundation staff educates donors regarding worthy agencies and programs: provides information on qualified giving opportunities
<b>Grant Management</b>	Must ensure all recipients are qualified 501(c)(3) organizations	Community foundation verifies organization's status, plus, donors can access the foundation's strategic grantmaking services
<b>Distribution Requirements</b>	5% annual distribution required	None
<b>Privacy</b>	Tax return is public record	Donor can choose to be anonymous

