Private Foundation vs. PCF Donor Advised Fund

PASADENA COMMUNITY FOUNDATION
FOR A GREATER PASADENA AREA

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 (PCF) is the right charitable vehicle for you.

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

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PCF is a 501c3 public charity
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