

CONSIDER THE PHILANTHROPY OPTIONS

| | CHESTER COUNTY COMMUNITY FOUNDATION FUND | NATIONAL COMMERCIAL DONOR ADVISED FUND | PRIVATE FOUNDATION |
|---|--|--|--|
| Start-Up Incorporation Tax Exemption | No set-up fees. Easy and inexpensive to set up. Fund can be established in one brief meeting or online. | No set-up fees. Easy and inexpensive to set up. Fund can be established in one brief meeting or online. | \$3-\$10,000 in professional fees 6-12 months to incorporate, create bylaws and receive 501(c)(3) determination from IRS. Decide between charitable trust or non-stock corporate model. |
| Asset Size | Grantmaking allowed when asset size is over \$25,000. | Varying minimum balances for assets from \$10,000 to \$30,000. | Typically established with assets of \$10+ million. |
| Required Payout | No annual distribution requirements. Can accumulate toward sizeable project or grant. | Varies. | 5% annual distribution required. |
| Excise Taxes | No excise tax on income. | No excise tax on income. | Excise tax of up to 2% of annual net investment income. |
| Tax Treatment of Gifts: | Donors enjoy maximum tax advantages: | Tax treatment is not as favorable: | Tax treatment is not as favorable: |
| Cash gifts | Deduction up to 50% of adjusted gross income for cash contributions. | Deduction up to 50% of adjusted gross income for cash contributions. | Deduction up to 30% of adjusted gross income. |
| Publicly traded securities, closely held stock, &/or real estate | Deduction up to 30% of adjusted gross income for long-term appreciated property including publicly traded securities, closely-held stock and real estate. | Deduction up to 30% of adjusted gross income for publicly traded appreciated securities. | Deduction up to 20% of adjusted gross income for publicly traded appreciated securities. |
| Gifts of real property | Deduction of fair market value for gifts of most assets. | Many do not accept gifts of real property, such as real estate, privately held stock, S-corporation stock, or artwork. | Deduction of only cost basis for gifts other than cash or publicly traded securities. |
| Liability, Insurance & General Administration | CCCF handles financial & administrative matters: <ul style="list-style-type: none"> ▪ investments and accounting ▪ legal & compliance filings ▪ annual independent audit & ▪ annual tax return. | Handles financial & administrative matters: <ul style="list-style-type: none"> ▪ investments and accounting ▪ legal & compliance filings ▪ annual independent audit & ▪ annual tax return. | Perform, contract, or hire staff for these services. |
| Grantmaking & Grant Administration | In addition to verifying tax-exempt status of grantees, CCCF offers: <ul style="list-style-type: none"> ▪ knowledge of community needs ▪ issues education ▪ process to evaluate grant requests ▪ expertise in appraising nonprofits & ▪ monitoring performance. | Verifies tax-exempt status of grantees. Some provide custom services to help donors review & appraise nonprofits. | Perform, contract, or hire personnel for these services. |
| Privacy | Anonymity, if desired. | Anonymity, if desired. | A private foundation's tax return, which includes the names of its contributors, is public record. |
| Family Involvement | Donor can involve family and heirs in charitable giving. | Donor can involve family and heirs in charitable giving. | Donor can involve family and heirs in charitable giving. |
| Fund Establishment | Can be established during lifetime, &/or through trust, charitable gift annuity, or estate. | Can be established during lifetime, &/or through trust or estate. | Can be established during lifetime, &/or through trust or estate. |
| Investment Manager Selection | Portfolio choices, medallion investment partner opportunities & separately managed accounts, subject to minimum balances. | Most have portfolio choices. Some have separately managed account options. | Perform, contract, or hire investment personnel. |
| Investment Management Fees | Varies. | Varies. | Varies. |
| Annual Costs | Annual administrative fees @ 1% of fund balance, or less with larger endowments. | Annual administrative fees vary, typically less than 1%. | Annual administrative fees are typically greater than 1% of fund balance. |