

PRIVATE FOUNDATION -VS- DADE COMMUNITY FOUNDATION

	PRIVATE FOUNDATIONS	DADE COMMUNITY FOUNDATION
SET-UP PROCEDURE AND COSTS	Must incorporate and apply to IRS for Tax-Exempt status; legal and accounting fees to establish.	Simple Agreement; no start-up fees or costs.
TAX TREATMENT OF CONTRIBUTIONS	Current year tax benefits are limited to 30% of income for cash gifts and 20% of income for appreciated property gifts.	Current year tax benefits are 50% of income for cash gifts and 30% of income for appreciated property gifts.
CONTRIBUTIONS OF APPRECIATED PROPERTY	Federal income tax deduction for appreciated property gifts are generally limited to person's basis, except for appreciated securities. California state income tax deduction limited to person's basis for all gifts of appreciated property.	Federal income tax deduction for appreciated property gifts may be taken at 100% of fair market value.
EXCISE TAXES	2% of investment income annually	No tax on investment income.
INVESTMENT, AUDIT, ACCOUNTING AND TAX RETURNS	Must perform financial and administrative services, or contract or hire staff; annual 990-PF tax return required.	Dade Community Foundation handles all financial and administrative management, files annual tax return and provides annual independent audit for a small annual fee.
GRANT PAYOUT REQUIREMENT	Required to distribute 5% of private foundation assets annually to avoid penalty taxes.	No payout requirement; can accumulate income for a sizeable project or grant.
GRANT MANAGEMENT	Must verify the charitable status of all recipient organizations.	Community foundation verifies charitable status of all recipient organizations, plus donors have access to community foundation's strategic grantmaking services.
PRIVACY	Required to file tax returns on grants, investment fees, staff salaries, etc. These are public records and are compiled into grantseeker directories.	Individual donors or grants can be kept anonymous. If the donor wishes, the community foundation can serve as a buffer between the donor and grantseeker.