

Donor Advised Funds vs. Private Foundations

If you are considering creating a private foundation, compare your options below. Oftentimes start-up and administrative costs, lack of privacy, and limited tax deductibility lead donors to create Donor Advised Funds with us instead. In addition to alleviating administrative headaches, we can educate you about leading community issues, introduce you to philanthropic and community leaders, and help your family navigate complex issues like multigenerational giving.

	Donor Advised Fund at CFJC	Private Foundation	at a Financial Institution
Income Tax Deduction Limit			
Cash Gifts	60%	30%	50%
Percent of Adjusted Gross Income (AGI)			
Appreciated Property	30%	20%	30%
Carry-over Available	Yes	Yes	Yes
Amount Deductible (subject to percentage limitations)			
Appreciated Publicly-traded Stock	Fair Market Value (FMV)	FMV	FMV
Other Appreciated Property (long-term)	FMV	Basis	N/A ¹
Administration & Fees			
Minimum Payout	No	Yes	In some cases
Start-up Costs	None	Varies	None
Separate Tax Return	No	Yes	No
Accounting	No	Yes	No
Record-keeping	No	Yes	No
Investment Management Fees	Varies	Varies	Varies
Administrative Expenses	2%	Varies	Varies
Federal Excise Tax Imposed	No	Yes	No
Charitable Giving Services			
Creating a Family Giving Plan	Yes	Fee-based	Varies
Help with Grantmaking	Yes	Fee-based	Varies
Connecting with Other Donors	Yes	N/A	No
Information about Community Issues	Yes	Fee-based	No
Gifts to Endowment Eligible for Endow Iowa Tax Credit	Yes	No	No

¹ Many commercial gift funds do not accept gifts of a real property such as real estate, privately held stock, or S-corporation stock

A charitable giving fund also provides unique advantages such as:

- * No required annual minimum distributions.
- * The ability to give anonymously with limited public disclosure.
- * Donors can support a while variety of organizations through the charitable giving fund.
- * Not being subject to excise tax on net investment income.
- * The opportunity to take advantage of the Endow Iowa Tax Credit, a 25% state tax credit.

To learn more, contact Shelly Maharry, Executive Director, at (319) 337-0483 or shelly@cfjc.org