



**THE COMMUNITY
FOUNDATION**
FINDLAY - HANCOCK COUNTY

Alternative to Private Foundations

Setting up and maintaining a private foundation can be a never-ending ordeal. If a private foundation is something that interests you, the Community Foundation may have a better answer. Working with the Community Foundation, you can enjoy the benefits of having a foundation without all the aggravation. You supply the passion and ideas. The Community Foundation supplies the expertise and infrastructure.

COMMUNITY FOUNDATION VS. PRIVATE FOUNDATION – TAX DEDUCTIBILITY

Asset	Community Foundations	Private/Family Foundation
Cash	50%	30%
Short-term capital gain property (cost)	50%	30%
Long-term capital gain property (fair market value)	30%	20%
Tangible personal property – related use (fair market value)	30%	-0-
Depreciated tangible personal property (lower of cost or fair market value)	30%	-0-

In the chart shown above, the percentages refer to the maximum percentage of adjusted gross income allowed on the deductibility of charitable contributions in a taxable year.

COMMUNITY FOUNDATION VS. PRIVATE FOUNDATION – MORE CONSIDERATIONS

	Community Foundation	Private/Family Foundation
Time to Establish	One day	Requires legal filings
Excise Taxes	None	Up to 2% of investment income
Tax Filing	None	Annual returns
Investments	Professional oversight, lower fees, diversity of investments	Managed internally, must avoid investments that jeopardize charitable purposes
Grant Requests	Experienced staff	Must review and evaluate proposals
Annual Report	Through the Community Foundation	Must publish an annual report
Disclosure of Identity	Can provide anonymity	Disclosure required
Administrative Costs	Through the Community Foundation	Must bear all costs
Tax Deductibility – cash/appreciated assets	50% deduction	30% deduction
Payout Requirements	No legal requirements; foundation policy only	5% of asset value annually