



Services for Private Foundations

The Community Foundation's philanthropic services can solve management concerns for private foundations and can increase their impact because of our capacity to be an advisor, partner, facilitator, and convener.

There are several ways private foundations can work with the Community Foundation:

1. Create a Donor Advised Fund parallel to your private foundation

A Donor Advised Fund (DAF) allows your trustees to maintain your current structure, actively participate in directing your philanthropy, and access the expertise of a community foundation's strategic grantmaking and philanthropic service.

If you're considering forming a private foundation, we recommend creating a DAF prior to that long and expensive process. This allows you to direct your philanthropy before committing to the legal requirements and long-term maintenance of a private foundation.

2. Gift your foundation's annual payout to a Community Foundation fund

Private foundations can gift their required 5% annual payout to the Community Foundation. You can choose to designate the gift to one of our nearly 700 existing funds that aligns with your funding priorities, or designate it to our President's Discretionary Fund, which exists to meet the emerging needs of area nonprofits.

This option simplifies your private foundation's tax reporting and you can be sure that your funds will be used to support effective, strategic grantmaking.

3. Transfer your foundation's assets to a Donor Advised Fund

Private foundations are increasingly subject to regulatory scrutiny, reporting requirements, and administrative oversight, often at great cost. A Community Foundation DAF allows your foundation's leadership to advise grants with none of the administrative duties.

More Advantages:

Your new charitable vehicle will no longer be subject to an excise tax on its income nor will it be subject to the 5% payout requirement. Gifts to a DAF are deductible for income tax purposes up to 60% of the donor's AGI as opposed to 30% of AGI for gifts to a private foundation. The Community Foundation can also hold a greater variety of assets. The private foundation is relieved of filing an annual 990-PF return.

Our Staff provides the following services:

- Providing knowledgeable grantmaking guidance and administrative services
- Endowing assets for cost-effective investment management to ensure the fund exists in perpetuity
- Assuring anonymity for donors, fund advisors, and grants, if desired