

Berkshire Taconic Community Foundation

COMPARING YOUR OPTIONS

DONOR-ADVISED FUNDS | PRIVATE FOUNDATIONS | COMMERCIAL GIFT FUNDS

	Berkshire Taconic Donor-Advised Fund	Private Foundation	Commercial Gift Fund
Investment and Tax Considerations			
Investment	Donor may choose from Berkshire Taconic's four investment pools.	Donor-appointed board controls investments.	Donor may choose from among firm's investment pools.
Tax Status	Covered under Berkshire Taconic's public charity status.	Must apply to IRS for private foundation tax-exempt status.	Covered under nonprofit status of corporate entity's charitable subsidiary.
Income Tax Deduction for Gifts of:			
Cash	Up to 50% of adjusted gross income.	Up to 30% of adjusted gross income.	Up to 50% of adjusted gross income.
Publicly Traded Securities	Fair market value up to 30% of adjusted gross income.	Fair market value up to 20% of adjusted gross income.	Fair market value up to 30% of adjusted gross income
Real Estate & Closely Held Securities	Fair market value up to 30% of adjusted gross income.	Deductible at cost basis.	Fair market value up to 30% of adjusted gross income. Usually not accepted.
Distribution Requirements	None	At least 5% of net asset value annually.	Varies; some require a minimum of 5% of the fund's net assets on a five-year rolling basis.
Grantmaking			
Grantmaking Recommendations	Donor recommends grants to qualified nonprofit groups. Grants are approved by Berkshire Taconic board of directors.	Donor-appointed board controls grantmaking.	Donor recommends grants to qualified nonprofit groups. Grants are approved by trustees of the gift fund.
Grantmaking Expertise	Staff can help identify and assess grantees, provide input on community needs and local nonprofits.	Must arrange and support its own grantmaking and monitoring structure.	Most do not offer personalized advice on grantee selection. (over)

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Start-up Considerations			
Costs	None	Several thousand dollars for legal and accounting expenses and filing fees.	None
Time Frame	Immediate	Several months	Immediate
Minimum Contribution	\$10,000	Not cost-effective unless \$8 million or more.	Usually \$10,000 to \$25,000 for individuals.
Annual Administrative Requirements			
Fees	Based on size of fund, starting at 1.5% of assets and declining for larger funds.	Grantmaking, administrative and investment support must be covered.	Based on size of fund, usually starting at .60% of assets and declining for larger funds.
Taxes	None	Excise tax of 2% of net investment income, including net capital gains.	None
Reporting Requirements	None	Annual tax return, including detailed financial schedules.	None
Privacy	Donors may remain anonymous.	Donors may remain anonymous, but IRS 990 form lists officers, directors and trustees.	Donors may remain anonymous.