

Philanthropic Alternatives

	Private Foundation	Supporting Organization	Community Foundation (DAF)
Governing Board	Donor members of donor's family and other appointed parties	Donor appointed board positions must be less than 50% of board. Balance appointed by supported organizations	Donor may not serve on board but can advise board.
Successor Management	Children can serve on the board	Children can serve on the board	Children cannot serve on the board but can advise.
Purposes and Programs	Broad flexibility — Grants generally made to public charities.	Must distribute to supported organizations. Can be named individually or by class.	Broad flexibility — distributions generally made to public charities.
Deductibility of cash contributions	Deductible up to 30% of donor's adjusted gross income.	Deductible up to 50% of donor's adjusted gross income.	Deductible up to 50% of donor's adjusted gross income.
Deductibility of appreciated long-term capital gain property	Cost basis deductible up to 20% of donor's adjusted gross income.	Fair market value deductible up to 30% of donor's adjusted gross income.	Fair market value up to 30% of donor's adjusted gross income.
Excise tax on Investment Income	2% or 1% of net investment income if certain distribution requirements are met.	None	None
Penalty Taxes on organization and management	Penalty taxes can be imposed for failure to make minimum distributions, excess business holdings, jeopardizing investments and taxable expenditures.	None	None
Penalty taxes on disqualified persons	Penalty taxes can be imposed on persons who participate in acts of self-dealing	None	None
Limits on self-dealing	There can be no business transactions between a private foundation and its "disqualified persons."	None	None
Payout requirements	Generally, 5% of investment assets must be distributed annually.	None	None
Limits on business holdings	A private foundation and its disqualified persons cannot hold an aggregate of more than 20% of the voting control of a business entity.	None	None
Limits on investments	Jeopardizing investment must be avoided.	None. Investment policy established by board.	None. Investment policy established by board.
Limits on distributions	Generally, grants may be made for any charitable purpose.	Distributions must be made to organizations identified in the founding document.	Distributions are made by the board, taking into consideration the wishes of the donor.
Reporting requirements	Annual report on Form 990-PF. Detailed reporting and allocation of expenditures required.	Annual report on Form 990.	Annual report on Form 990.