

Comparing four approaches to giving

Discover the benefits of working through the Community Foundation *for* Southern Arizona

| | Direct Gift | Donor Advised Fund | Supporting Organization | Private Foundation |
|------------------------------------|---|--|--|---|
| <i>Items to consider</i> | | | | |
| Involvement and control | You give a gift directly to a public charity. Control is limited to initial gift decision. | You give to a public charity—e.g., a community foundation. You recommend grants to qualified nonprofit groups, subject to approval by the public charity's board of directors. | You work together with a public charity—e.g., a community foundation—to appoint board. This board typically controls investments and grantmaking. | You appoint a board, which controls investments and grantmaking. |
| Tax status | Public charity | Public charity | Public charity | Private charity |
| Tax deductions | Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock. | Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock. | Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock. | Up to 30% on cash, up to 20% on appreciated stock, up to 20% on real estate and closely held stock. |
| Grant-making support | Your decision is based on your own research and intuition. | In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status. | In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status. | You must arrange and support your own grantmaking and monitoring structure. Some community foundations offer grantmaking services to private foundations. |
| Startup costs | None | N/A | Costs kept to a minimum through collaboration with community foundation. | Several thousand dollars for legal and accounting expenses and filing fees. |
| Effective gift size | Any gift size is appropriate | Thousands of dollars | Typically millions of dollars | Typically millions of dollars |
| Administrative requirements | N/A | Donor has no administrative requirements. Administration is pooled and an annual fee is charged. Community foundation handles reporting. | Costs are kept to a minimum through collaboration with community foundation. Annual 990 tax form must be filed. | Several thousand dollars for legal and accounting expenses and filing fees. Annual 990 tax form must be filed. |

Giving options

Major options for giving entail varying costs and benefits. Your professional advisor can help you review options for custom giving solutions—based on your timing preferences, your giving focus, and other variables.

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