If you have a private foundation—or are thinking about creating one—consider partnering with the Community Foundation of Greater Dubuque.

We provide relief from the administrative responsibilities of managing your own private foundation, including accounting, grant application due diligence, investment of the assets and IRS reporting. Your fund is included in the Foundation’s state and federal reporting, tax returns, audits and filings.

You can retain the joy of giving and the satisfaction of shaping your philanthropy; we take care of all of the government reporting and other documentation.
# Private Foundation vs. Community Foundation Fund

Consider these differences between a private foundation and a fund at the Community Foundation of Greater Dubuque.

<table>
<thead>
<tr>
<th></th>
<th>Private Foundation</th>
<th>Community Foundation of Greater Dubuque</th>
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<tbody>
<tr>
<td><strong>Minimum endowment</strong></td>
<td>Generally estimated as inefficient when less than $5 million</td>
<td>$10,000</td>
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<tr>
<td><strong>Length of time to establish</strong></td>
<td>Requires creation of articles of incorporation, bylaws, and filing with state and IRS. Often takes more than three months.</td>
<td>Most funds can be set up in 1-3 days</td>
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<tr>
<td><strong>Administration &amp; Investment Management Fees</strong></td>
<td>Varies</td>
<td>1.75% includes administration &amp; investment fees. Fees are reduced for funds over $1 million.</td>
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| **Other fees**           | • Record-keeping fees  
• Accounting fees  
• Tax and audit preparation  
• 990 preparation | No additional fees |
| **Excise Taxes**         | 1-2% of net investment income annually | None |
| **Valuation of gifts**   | • Fair market value for publicly traded stock  
• Cost basis for all other gifts, including closely held stock and real property | Fair market value |
| **Tax treatment of cash gifts** | 30% of AGI | 50% of AGI |
| **Tax deduction limits for gifts of stock or real property** | 20% of AGI | 30% of AGI |
| **Grantmaking**          | • Donor appoints board, which controls grantmaking  
• 5% minimum payout  
• Restrictions on scholarship and research grants  
• Grantmaking services fee-based  
• Donor education fee based | • Donor/Advisor recommends grants to any 501(c)(3) in the U.S., approval by CFGD Board  
• No minimum payout  
• Grant checks cut weekly  
• Expertise of CFGD staff available for consultation  
• Informal sessions and activities on charitable organizations and issues |
| **Annual Report**        | Must publish annual report | Incorporated into the Foundation's annual report |
| **Privacy**              | Impossible | Available upon request |
| **Required Payout**      | Required 5% payout every year | No minimum payout |
| **Tax Returns**          | Annual state and federal returns | Incorporated into CFGD's audit and tax returns |
| **Investments**          | Complete responsibility for all investment-related activities | Fund assets are professionally invested and monitored by CFGD |
Benefits of establishing a private foundation fund at the Community Foundation

CONFIDENTIALITY
The Community Foundation provides anonymity for all funds. Grantmaking through your fund can be anonymous (or selectively anonymous). Private foundations, on the other hand, require disclosure and their information is freely accessible on websites such as GuideStar.org that allow the public to review tax returns, organizations that receive grants, board members and assets.

FAMILY INVOLVEMENT
As the donor establishing the fund at the Foundation, you can select an advisory board and determine how successor advisors are chosen.

NO MINIMUM DISTRIBUTION
Whereas a private foundation must distribute a minimum of five percent of its net investment assets annually, there is no minimum distribution requirement with a private foundation fund at the Community Foundation.

LOWER COSTS
The administration of a private foundation fund at the Community Foundation is typically lower than the annual expenses incurred to operate a private foundation. Establishing a private foundation incurs legal, accounting, tax-exempt and filing fees.

MAXIMUM TAX BENEFITS
Contributions through the Community Foundation offer a deduction of up to 50 percent adjusted gross income for gifts of cash versus 30 percent for private foundations and 30 percent of adjusted gross income for capital gain property versus 20 percent for private foundations. In addition, Endow Iowa State Tax Credits, available only through Iowa community foundations, provide a 25 percent Iowa tax credit for certain charitable gifts.

NO EXCISE TAX
A private foundation requires you to pay one to two percent excise tax on the foundation’s net investment income. Community Foundation funds, on the other hand, are not subject to excise tax.

(continued on reverse)
Benefits of establishing a private foundation fund at the Community Foundation

(continued from reverse)

SUCCESSION PLANNING
You can choose to name successor advisors, craft language that describes your intentions for future generations, select the Community Foundation giving experts to handle your giving intentions or allow the Community Foundation to direct your funds to emerging community needs.

SUPPORTING NONPROFITS
You can support any 501(c)(3) charitable organization through your private foundation fund, including local and national charities.

ACCESS TO RESOURCES
The Community Foundation offers a knowledgeable staff that provides a high level of professional expertise and personal service. We are connected to hundreds of local charities and can share unique giving opportunities that match your interests.

Staff can address any concerns about your fund including responding to grant inquiries, providing research on charities of interest, facilitating grant distributions and providing quarterly fund status reports. We can also advise and assist in evaluating and selecting grantees.

Additionally, we offer site visits to area nonprofit organizations as well as education events that enable you to give back meaningfully.