Community Foundation vs. Private Foundation

	Community Foundation Charitable Fund	Private Foundation
Startup Costs	None	Substantial
Ease of Creation	Execute a simple Fund Agreement.	Involves creation of a new organization, application for tax-exempt status, and expenditure of time and money.
Tax Benefits	Taxpayer can deduct up to 50% of adjusted gross income for cash gifts. Full fair-market value of gifts of appreciated property is deductible up to 30% of adjusted gross income.	Cash gift deduction is limited to 30% of adjusted gross income. Only the cost basis of certain types of appreciated property is deductible, and deduction is limited to 20% of adjusted gross income.
Excise Tax	None	Yes (Up to 2% on net investment income.)
Accounting, Investment, Audit and Tax Returns	Community Foundation handles all investments and accounting, files annual tax returns, and provides annual audit.	Trustees must handle all investments and accounting as well as comply with detailed reporting requirements.
Investments	No federal investment requirements and no equity concentration restrictions.	Certain types of investments prohibited, and the foundation may not own more than 20% equity interest in a business.
Grant Distribution Requirements	None (On donor's timetable)	A distribution of 5% of net asset value is required each year
Anonymity	Donors' names may remain anonymous to the public.	Names and addresses of contributors must be made available to the public.
Costs	Minimal	Substantial