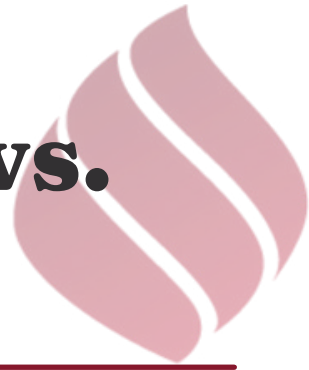


Community Foundation vs. Private Foundation



	Private Foundation	Community Foundation
Legal Status	Independent organization 501(c)(3) tax exempt corporation or trust	A Donor-Advised Fund within an existing Community Foundation 501(c)(3) tax exempt organization
Initial Gift	Establish a new entity requiring legal filings, board of directors, and administration; may take several months	Entity already exists and has experience; paperwork can be completed in one day
Practical Minimum Asset Size	Substantial assets, probably over \$1 million	\$10,000 Endowment Fund \$25,000 Non-Permanent Fund (specific to CFMD)
Distribution Rules	Minimum annual charitable distribution – 5% of net investment assets	No minimum distribution requirements
Investment Restrictions	Cannot own more than 20% of stock in a business	No limitations on control of a business
Annual IRS Reporting	IRS information return (Form 990 PF)	No annual reporting requirements
Investment Income Tax	Pay 1% to 2% tax on net investment income	No tax on investment income
Cost	Can result in significant cost to client	Simple, and at no cost to donor