

# COMPARE THE BENEFITS OF A CFTB FAMILY FOUNDATION WITH THOSE OF A PRIVATE FOUNDATION...

	CFTB FAMILY FOUNDATION	PRIVATE FOUNDATION
Legal Entity	Component fund within CFTB; donor may name fund.	Separate legal entity must be established.
IRS Tax Status	Public charity	Private foundation (PF)
Method of Obtaining Tax Status from IRS.	Component fund assumes 501(c)(3) public charity status of CFTB.	Must apply for 501(c)(3) status from IRS.
Charitable Deduction Limitations on Cash Gifts	Annual limitation is 50% of adjusted gross income. Gifts in excess of limitation may be carried forward.	Annual limitation is 30% of adjusted gross income. Gifts in excess of limitation may be carried forward.
Charitable Deduction Limitations on Publicly Traded Securities	Annual limitation is 30% of adjusted gross income. Gifts are valued at fair market value of the security. Gifts in excess of limitation may be carried forward.	Annual limitation is 20% of adjusted gross income. Gifts are valued at fair market value of the security. Gifts in excess of limitation may be carried forward.
Valuation of Gifts other than Cash and Publicly Traded Securities	Fair market value	Donor's basis (cost)
Tax Return Filing Requirements	None for component fund; fund is included in the annual Form 990 filed by CFTB.	Federal Form 990-PF must be filed by the last day of the fifth month following the private foundation's fiscal year end.
Taxes Paid	None	2% excise tax is paid on net investment income. Additional excise tax may be owed if annual charitable expenditures do not meet IRS 5% requirement.
IRS Requirement For Minimum Annual Grants/Charitable Expenditures	None	5% of fair value of assets
Public Disclosure of Grants (Both Form 990 And Form 990-Pf are Publicly Available Documents)	Recipients of grants of \$5,000 or more during the tax year must be disclosed, along with amount granted, on CFTB's 990. However, the component fund recommending the grant is not disclosed.	Recipients of all grants must be disclosed along with amount granted, providing public direct knowledge of private foundation's grantmaking activity.
Anonymity	Full anonymity of both gifts and grants is possible.	Anonymity of gifts to PF is possible. Source of grants will be known by grantees.
Grant Recipient Selection	Grants are recommended by appointed representation of component fund. CFTB to review and provide final approval.	Recipient selection is controlled by private foundation board.
Operating Expenses	Generally 1% of fund balance.	Paid by private foundation as incurred; some limitations are imposed.
Optimal Minimum Funding	\$100,000	\$10 million (per Council on Foundations, which serves both community and private foundations)
Investment Management	Investment performance review and asset allocation are under the guidance of an investment policy developed by CFTB's Investment Committee and an investment consulting firm.	Investment management is controlled by private foundation board.