

# A Charitable Fund at the Foundation vs. A Private Foundation



Ease of administration, lower costs and increased flexibility are just some of the benefits of opening a fund at the Coral Gables Community Foundation versus establishing your own private foundation.

	A CGCF Charitable Fund	Private Foundation
<b>Beginning Process</b>		
Costs	None.	Several thousand dollars for legal and accounting expenses and filing fees.
Timeframe	Immediate.	From several months up to 2 years.
Tax Benefits	Donor receives immediate tax deduction upon each contribution	
<b>Distribution Requirements</b>	None.	At least 5% of net asset value annually. Penalty tax is 30% of undistributed amount.
<b>IRS Reporting</b>	None; the CGCF handles	Annual tax return required, including detailed financial schedules.
<b>Tax Status</b>	Covered under CGCF's 501(c)3 charity status.	Applies to IRS for private foundation tax-exempt status.
<b>Donor Control of Grant Making &amp; Investments</b>	Fund Holder recommends grants to qualified non-profit groups.	Donor appoints board, which controls investments and grant making.
<b>Grant Making Advice</b>	Fund Holder helps identify and assess grant recipients	Must be arranged and paid for by the foundation.
<b>Recognition or Privacy</b>	Donors may remain anonymous, or receive recognition for their generosity by name	Donors may remain anonymous, but IRS Form 990-PF lists officers, directors and trustees.