Shape Your Generosity
An Alternative to Private Foundations

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

When you create a donor-advised fund with us, 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 required reporting and other documentation.
# Private Foundation vs. Donor-Advised Fund

<table>
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<tr>
<th>Private Foundation</th>
<th>Donor-Advised Fund With Us</th>
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<tbody>
<tr>
<td><strong>Minimum balance</strong></td>
<td>Generally estimated as inefficient when less than $5 million</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 months</td>
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<tr>
<td><strong>Administration and investment management fees</strong></td>
<td>Varies</td>
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| **Other fees** | • Record-keeping  
• Accounting  
• Tax and audit preparation  
• From 990 preparation | No additional fees |
| **Excise taxes** | 1-2% of net investment income annually | None |
| **Valuation of certain gifts** | • Fair market value for publicly traded stock held long-term  
• Cost basis for some gifts, including closely held stock and real property | Fair market value for many but not all assets |
| **Tax treatment of cash gifts** | Up to 30% of AGI | Up to 60% of AGI |
| **Tax deduction limits for gifts of stock or real property** | Up to 20% of AGI | Up to 30% of AGI |
| **Grantmaking** | • Donor appoints board, which controls grantmaking  
• 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  
• Grant checks cut within 10 days  
• Expertise of CFGD staff available for consultation  
• Informal sessions and activities on charitable organizations and issues |
| **Privacy** | Must list assets, donors and recipients on IRS Form 990-PF | 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 |
| **Endow Iowa** | N/A | 25% tax credit for gifts to endowed funds |
Why Establish a Fund at the Community Foundation?

We are a trusted partner for thousands of donors like you. We are dedicated to providing support centered on you, along with resources and opportunities to build a strong community.

**Maximum Tax Benefits**
Contributions through the Community Foundation offer a deduction of up to 60% of adjusted gross income for gifts of cash versus 30% for private foundations and up to 30% of adjusted gross income for capital gain property versus up to 20% for private foundations. **In addition, the Endow Iowa State Tax Credit program, available only through Iowa community foundations, provides a 25% credit for certain charitable gifts.**

**Family Involvement**
Involve your loved ones in your philanthropy and teach future generations the value of giving back to strengthen the community.

**Succession Planning**
You can choose to name successor advisors, craft language that describes your intentions for future generations, select our giving experts to handle your giving intentions, or allow us to direct your funds to emerging community needs.

**Confidentiality**
We provide 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 like GuideStar.org that allow the public to review tax returns, organizations that receive grants, board members and assets.

**Lower Costs**
The administration of a donor-advised 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.

**Supporting Nonprofits**
You can support any 501(c)(3) charitable organization through your donor-advised fund, including local and national charities.

**No Minimum Distribution**
Whereas a private foundation must distribute a minimum of 5% of its net investment assets annually, there is no minimum distribution requirement with a donor-advised fund at the Community Foundation.

**Confidentiality**
We provide 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 like GuideStar.org that allow the public to review tax returns, organizations that receive grants, board members and assets.

**No Excise Tax**
A private foundation requires you to pay 1 to 2% excise tax on the foundation’s net investment income. Our funds, on the other hand, are not subject to excise tax.

**Family Involvement**
Involve your loved ones in your philanthropy and teach future generations the value of giving back to strengthen the community.

**Succession Planning**
You can choose to name successor advisors, craft language that describes your intentions for future generations, select our giving experts to handle your giving intentions, or allow us to direct your funds to emerging community needs.

**Community Knowledge**
We are a learning organization, collecting data, researching needs and listening to the community. This enables us to help you make decisions about local issues to address and nonprofits to support through your philanthropy.

**Committed Stewardship**
We believe in meeting the highest ethical and professional standards in all aspects of our work, from the quality of personal service we provide to our policies and procedures. Working with us ensures top-tier investment and fiduciary oversight of your generosity. **Learn more at GuideStar.org**
Three Steps to Impact

Give
Meet with a Community Foundation philanthropic advisor to create a fund that reflects your goals. Learn the most effective way to give all types of assets. Make a contribution to start your fund now or through your estate.

Grant
Recommend grants or scholarships from your fund with expert assistance from Community Foundation staff. If you wish, involve family members for greater impact.

Grow
If your fund is endowed, watch it grow over time through a diversified investment strategy.

Generosity Your Way
Mike and Judy McCoy have worked hard to make their family business successful. The McCoy Group, Inc. employs more than 1,600 people who provide heavy-duty trucks and transportation services across the U.S., Canada and Mexico.

After years of far-reaching philanthropy and volunteerism, Mike and Judy learned about the benefits of using a donor-advised fund at the Community Foundation instead of creating a private foundation. “The Foundation helped us organize our giving,” says Mike. “We learned about options for giving, the Endow Iowa state tax credit, and how we can continue helping people after we’re gone.”

Their fund supports youth-focused nonprofits like Hillcrest Family Services, the Boys & Girls Club, Teresa Shelter and Maria House. Mike and Judy appreciate its potential to impact the future, as well. “We’ll be able to pass this fund on to our children,” says Judy, “so they can continue to build it and support the causes they care about.”