



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

	Private Foundation	Donor-Advised Fund With Us
Minimum balance	Generally estimated as inefficient when less than \$10 million	\$10,000
Length of time to establish	Requires creation of articles of incorporation, bylaws and filing with state and IRS; often takes months	Most funds can be set up in 1-3 days
Administration and investment management fees	Varies	1.75% includes administration and investment fees; fees are reduced for funds over \$1 million
Other fees	<ul style="list-style-type: none"> • Record-keeping • Accounting • Tax and audit preparation • Form 990 preparation 	No additional fees
Excise taxes	1-2% of net investment income annually	None
Valuation of certain gifts	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Donor appoints board, which controls grantmaking • Restrictions on scholarship and research grants • Grantmaking services fee-based • Donor education fee-based 	<ul style="list-style-type: none"> • 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.**

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.

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.

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.

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.

Supporting Nonprofits

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

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](https://www.guidestar.org)*



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."

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.

Meet Your Team



dbqfoundation.org | 563.588.2700



Amy Manternach

Senior Philanthropic Advisor
amy@dbqfoundation.org



Bobbi Earles

Vice President of Development
& Communications
bobbi@dbqfoundation.org



MJ Smith

Senior Affiliate Advisor
mj@dbqfoundation.org