



THE CHICAGO
COMMUNITY TRUST
AND AFFILIATES

Comparison of Donor Advised Funds and Supporting Organizations At The Trust with Private Foundations

	DONOR ADVISED FUNDS	SUPPORTING ORGANIZATIONS	PRIVATE FOUNDATIONS
Fund Basis	A component fund of The Chicago Community Trust	A not-for-profit corporation created, as an affiliate	An independently organized not-for-profit corporation or trust
Tax Status and Reporting	Shares the public charity status of the Trust	Must apply for tax exemption from the IRS as a public charity	Must apply for tax exemption from the IRS as a private foundation
Start-Up Costs/Timing	No establishment costs. Can be created in one day	Trust prepares and files required documents	Full corporate start-up costs plus legal, accounting and filing costs. Requires IRS approval
Assets Required to Establish	\$10,000 or more	\$3 million or more	Substantial assets required
Charitable Deduction of Cash Gifts	Tax deduction of up to 60% of adjusted gross income	Tax deduction of up to 60% of adjusted gross income	Tax deduction is limited to 30% of adjusted gross income
Charitable Deduction of Appreciated Property	Tax deduction for full fair market value, including closely held stock, up to 30% of adjusted gross income	Tax deduction for full fair market value, including closely held stock, up to 30% of adjusted gross income	Only listed securities deductible at fair market value up to 20% of adjusted gross income
Governance	Individual, family or committee makes grant recommendations, reviewed by the Trust	Individual, family or committee holds significant influence on the board of directors	Complete control is retained over investments and grant making, subject to meeting IRS requirements.
Duration	Up to three generations	May be perpetual	May be perpetual
Fund Distributions	None mandatory	None mandatory	Required to distribute annually 5% of the fair market value of assets
Grant Making Management	Provided by the Trust	Provided by the Trust	These services must be established or obtained by the foundation
Annual Administrative Costs	Maximum fee of 0.60% of the fund's net asset value. No tax on net investment income	Maximum fee of 0.60% of the fund's net asset value. No tax on net investment income	Significant annual costs. Must pay a 1-2% tax on net investment income
Annual Tax Filing and Administration	Not required	All tax returns and record keeping prepared and filed by the Trust	Must be filed by the foundation, with required supporting schedules
Investments	Funds are usually invested through the Trust as part of approximately \$3 billion in assets*	Fund assets are invested independently with support available from The Trust	Foundation must research and secure its own investments

* Donors whose funds exceed \$1 million may recommend an independent investment manager.