



Fairfield County Foundation vs. Private Foundation

The costs of establishing and running a private foundation can be overwhelming. Traditionally, assets in excess of \$5 million are needed before the private foundation becomes a cost effective alternative.

As a community foundation, the Fairfield County Foundation provides donors with all the functionality of a private foundation, but with significant economic and administrative advantages.

The advantages of working with The Fairfield County Foundation are:

	Fairfield County Foundation	Private Foundation
Establishing Funds	Established with one signed document.	Corporation or trust must be established; donor appoints board of trustees.
Tax Status	Automatically covered under Fairfield County Foundation's tax exempt status.	Must apply to IRS for private foundation tax exempt status which can take 6 months or longer.
Excise Taxes	None.	1-2% of Net Investment Income.
Cash Gifts	Deductible up to 50% of adjusted gross income.	Deductible up to 30% of adjusted gross income.
Publicly-Traded Securities	Fair market value up to 30% of adjusted gross income.	Fair market value up to 20% of adjusted gross income.
Real Estate/Closely-Held Securities	Fair market value up to 30% of adjusted gross income.	Deductible at cost basis.
Distribution Requirements	None.	A minimum of 5% of average asset value must be paid out each year.
Grantmaking Expertise	Have access to the Fairfield County Foundation staff who can help identify and assess grantees. Extensive research, tools and tips on effective grantmaking and other resources available.	Trustees must arrange, administer and support grantmaking and monitoring structure.



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Grantmaking	Donor recommends grants to qualified nonprofits.	Trustees control grantmaking.
Annual Tax Returns and Audit	The Fairfield County Foundation files annual tax returns and provides an annual independent audit.	Trustees must file an annual tax return or hire staff to do so.
Investments	The Fairfield County Foundation assets are pooled into a larger portfolio, enabling them to diversify investment, decrease management fees and ensure superior returns.	Trustees must handle.
General Administration	The Fairfield County Foundation handles it all.	Trustees must handle.
Privacy vs. Publicity	Donors, their funds and grant awards can remain anonymous or can be promoted with the Fairfield County Foundation's marketing/public relations network.	Required to file detailed tax returns which are public records.