

Four Approaches to Charitable Giving

Discover the benefits of working through the Community Foundation of Washington County MD.

Items to Consider:	Community Foundation Donor-Advised Fund	Commercial Gift Fund	Community Foundation Supporting Organization	Private Foundation
Donor Involvement	Donor recommends grants to qualified nonprofits. Community Foundation Board of Directors approves grants.	Donor recommends grants to qualified nonprofits. Grants are approved by trustees of the gift fund.	Community Foundation and donor work together to appoint board. Organization board often controls investments and grantmaking.	Donor appoints board which controls investments and grantmaking.
Tax Status	Public charity	Public charity	Public charity	Private charity
Income Tax Deductions for Gifts:				
Cash	Up to 50% of adjusted gross income	Up to 50% of adjusted gross income	Up to 50% of adjusted gross income	Up to 30% of adjusted gross income
Appreciated Stock	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% of adjusted gross income
Real Estate and Closely Held Stock	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Cost basis up to 20% of adjusted gross income
Grantmaking Support	Our professional staff can help identify and assess grantees, provide input on community needs and verify nonprofit status.	Varies	Our professional staff can help identify and assess grantees, provide input on community needs and verify nonprofit status.	Donors must arrange and support their own grantmaking and monitoring structure.
Start-up Costs:				
Initial	None	None	Costs kept to a minimum through collaboration with Community Foundation.	Several thousand dollars for legal and accounting expenses and filing fees.
Minimum Contribution	\$5,000	Thousands of dollars	Typically millions of dollars	Typically millions of dollars
Administrative Requirements:				
Ongoing costs	Pooled administration; annual fee	Varies	Costs kept to a minimum through collaboration with Community Foundation	Several thousand dollars for legal and accounting expenses and filing fees
Reporting	Community Foundation	Financial institution	Must file annual 990 tax form.	Must file annual 990 tax form.
Effect on Local Philanthropy	Fee helps promote local philanthropy	None	Fee helps promote local philanthropy	None