



HCF AS AN ALTERNATIVE TO A PRIVATE FOUNDATION

This chart compares working with a community foundation versus establishing a private foundation.

BENEFIT	COMMUNITY FOUNDATION (CF)	PRIVATE FOUNDATION
<p>Outstanding community knowledge and impact</p>	<ul style="list-style-type: none"> • Expertise and advice in a wide range of granting areas including arts & culture, the environment, health, social services, education and recreation • Co-operative relationships with other government bodies, funders and agencies in the city/region 	<ul style="list-style-type: none"> • Directors or trustees must perform, hire staff, or contract for these grantmaking activities
<p>Assured legacy in perpetuity</p>	<ul style="list-style-type: none"> • Named funds that exist in perpetuity 	<ul style="list-style-type: none"> • Named foundation • Longevity depends on long-term family interests and succession plans
<p>More impact for every dollar you give</p>	<ul style="list-style-type: none"> • No tax on capital gains on gifts of appreciated marketable securities • Immediate tax savings for most gifts of private company shares • Pooled investments often provide a better return with reduced risk • Start-up easy and minimal or no cost 	<ul style="list-style-type: none"> • Same tax treatment as gifts of marketable securities to community foundation • Tax savings for private company shares deferred or denied • Start-up is lengthy process with associated costs of time and resources
<p>Simplicity and cost effectiveness of ongoing operations</p>	<ul style="list-style-type: none"> • Staff look after day-to-day operations • Ability to limit involvement to preferred level 	<ul style="list-style-type: none"> • Directors or trustees must perform, hire staff, or contract for these services which may be at a higher cost

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Flexibility to change focus or involvement over time	<ul style="list-style-type: none"> Choice in grantmaking involvement from year to year – donors can designate their fund to support particular charities, advise CF on grants from time to time, or allow the CF to direct your grants based on community need 	<ul style="list-style-type: none"> Donor or family members are responsible for all activities of Foundation Responsibility for operating Foundation must be assumed by someone, even if family members lose interest in direct involvement over time
Degree of recognition	<ul style="list-style-type: none"> Wide range of choice of recognition or anonymity is available 	<ul style="list-style-type: none"> Work of private foundation is fairly public
“Best practices”	<ul style="list-style-type: none"> Staff are able to incorporate best practices throughout the operations 	<ul style="list-style-type: none"> Principals must invest time and energy to keep up to date with change
Passing mantle to next generation	<ul style="list-style-type: none"> Build on knowledge and experience gained from working with other like-minded individuals 	<ul style="list-style-type: none"> Principals are responsible for engaging next generation