

# COMPARISON TO PRIVATE FOUNDATIONS

By making charitable contributions through the Scioto Foundation (SF) your clients can choose to stay involved in the philanthropic endeavors without the administrative requirements of managing a private foundation.

- ≈ A charitable fund is easy to establish
- ≈ Maximum tax benefits
- ≈ SF offers grant-making experts to advise clients
- ≈ Charitable investment income has no excise tax
- ≈ Administrative costs are shared with other donors and kept to a minimum

	<b>Creating a Private Foundation</b>	<b>Establishing a Fund at SF</b>
Legal Status	Independent organization 501 (c) (3) tax-exempt corporation or trust	Fund within a SF 501 (c) (3) tax-exempt organization
Initial gift	Establish a new entity requiring legal filings, board of directors, and administration; may take several months	SF already exists and has experience; paperwork can be completed in a short amount of time
Practical minimum asset size	Substantial assets; probably over \$1 million	Any size gift
Distribution rules	Minimum annual charitable distribution -- 5% of net investment assets	No minimum distribution requirements, Board of Governors set distribution "pay-out" policy on an annual basis
Investment restrictions	Cannot own more than 20% of stock in a business	No limitations on control of a business
Annual IRS reporting	IRS information return (Form 990 PF must be filed)	No annual reporting requirements
Investment income tax	Pay 1% to 2% tax on investment income	No tax on investment income
<b>Tax deductibility of contributions for donors</b>		
Cash	Up to 30% adjusted gross income	Up to 50% of adjusted gross income
Appreciated assets	Fair market value of appreciated asset up to 20% of adjusted gross income	Fair market value of appreciated asset up to 30% of adjusted gross income (AGI) or cost/basis up to 50% of AGI if greater



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