

**COMPARISON OF
HAWAI‘I COMMUNITY FOUNDATION
v. SUPPORT ORGANIZATION v. PRIVATE FOUNDATION**



HAWAI‘I COMMUNITY
FOUNDATION

	Hawai‘i Community Foundation Fund	Support Organization	Private Foundation
Creation	Hawai‘i Community Foundation prepares a relatively simple “Instrument of Gift” to be signed by donor	A corporation or trust must be created and tax-exempt status obtained from Internal Revenue Service	A corporation or trust must be created and tax-exempt status obtained from Internal Revenue Service
Donor Control	Donors or named advisors may make grant recommendations	May be a director or trustee but may not control organization	Unlimited
Charitable Deduction for Appreciated Assets	Generally full fair market value, subject to 50% Adjusted Gross Income (30% for Long-Term Capital Gain property)	Generally full fair market value, subject to 50% Adjusted Gross Income (30% for Long-Term Capital Gain property)	Depending on type of asset, may be limited to cost basis, subject to 30% AGI (20% for LTCG property)
Leadership	Hawai‘i Community Foundation’s Board of Governors oversees the Foundation’s activities	Organization appoints own directors or trustees	Foundation appoints own directors or trustees
Investment of Assets	Management overseen by Hawai‘i Community Foundation’s Board of Governors	Management by directors or trustees of organization	Investment in certain kinds of assets is prohibited; management by directors or trustees
Management	HCF professional staff	Directors or trustees usually sufficient because of the minimal administrative requirements	Volunteer or paid staff responsible for substantial administrative requirements
Grantmaking	Generally, 501(c)(3) non-profit organizations but greater flexibility than private foundations	Specified charities, but some flexibility in program area	501(c)(3) organizations with a 5% minimum distribution requirement under excise tax rules
Reporting Requirements	Handled by HCF, included in HCF’s annual independent audit	Annual tax return – 990 and report	Annual detailed reporting required (investments, grants, trustee fees, salaries, public 990PF tax return)
Taxes	None	None	Up to 2% excise tax imposed on the net investment income and realized gains, in addition to other excise taxes
“Self Dealing” Regulations	No payments to or for the benefit of donors	Not applicable	Self dealings transactions are strictly regulated and generally prohibited and may face stiff penalties
Publicity	Donor preference – donor may remain anonymous because there is no public disclosure requirement	Certain disclosure required in tax return and annual report	Certain disclosure required in tax return and annual report

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For questions or additional information, please contact Client Services at the Hawai‘i Community Foundation at (808) 566-5560 or clientservices@hcf-hawaii.org