

# PRIVATE FOUNDATION vs. GIVING FUND

## *A WaterStone Giving Strategy*

WaterStone's mission is to provide giving solutions and strategies through trusted advice and technical expertise. We partner with you and your advisor to help you maximize the impact of your giving. Together, we'll develop a strategy to help the charitable causes that matter to you.

Since 1980, WaterStone has received more than \$1.2 billion in contributions and distributed \$700 million in grants. With more than \$600 million in assets under advisement, including over \$100 million in complex assets, WaterStone continues to support 5,000+ charities worldwide.

Private Foundation	A Giving Comparison	WaterStone Giving Fund
The Donor appoints a Board, which controls all investments and grantmaking.	<b>Donor Involvement</b>	Donor recommends grants to qualified nonprofit groups; grants are approved by WaterStone Board. Giving Funds offer the flexibility of separately managed investment accounts.
At least 5% of net asset value is required to be distributed annually.	<b>Required Distributions</b>	None required (though encouraged). WaterStone averages over \$1 Million in weekly grants supporting charities worldwide.
Several thousands of dollars for legal expenses, accounting expenses, tax return preparation, taxes and staff salaries.	<b>Ongoing Costs</b>	Pooled administration; annual fee, competitive with similar services.
Private Foundations are required to file annual tax returns (IRS 990-PF) and comply with other state requirements.	<b>Filing Requirements</b>	Included as part of 990, so WaterStone handles it. No state or federal filings are required.
Private Foundations must file detailed, public tax returns on grants, investment fees, names of directors or trustees and salaries.	<b>Privacy</b>	At WaterStone, grants can be made anonymously and names of donors may be kept confidential.
Cash donations: Up to 30% of the donor's AGI. Appreciated securities (FMV): Up to 20% of AGI. Long term assets (property, notes, bonds, privately held stock): At cost basis, up to 20% AGI. This applies to non-operating private foundations.	<b>Tax Deduction</b>	Cash donations: Up to 60% of the donor's AGI. Appreciated securities (FMV) and long term assets are deductible up to 30% of AGI.
Donors must arrange and support their own grantmaking and monitoring structure.	<b>Grantmaking Support</b>	Professional staff can help identify and assess grant recipient, provide input on community needs, and verify nonprofit status of groups.