

## Private Foundation vs. In His Steps Foundation

Feature	Private Foundation	In His Steps Foundation
<i>Anonymity</i>	<input type="checkbox"/> Foundation tax return is public record.	<input checked="" type="checkbox"/> As much anonymity as donor chooses. If a donor wishes, IHS can serve as a buffer between donor and grantseekers.
<i>Start Up Costs</i>	<input type="checkbox"/> Legal and accounting fees to establish private foundations can easily be \$5,000 - \$10,000.	<input checked="" type="checkbox"/> IHS fee for most permanent funds is 1% of the fund balance annually.
<i>Investment, Accounting, Audit, and Tax Returns</i>	<input type="checkbox"/> Foundations routinely pay lawyers, accountants and other advisers to oversee the assets, balance the books, keep the records, etc. Trustees must perform, contract, or hire staff for these services.	<input checked="" type="checkbox"/> All services provided by IHS. The Foundation files annual tax return and provides annual independent audit.
<i>Time and General Administration</i>	<input type="checkbox"/> According to the IRS, record keeping and tax return preparation take an average of 200 hours a year. Untold hours can be spent managing foundation assets and responding to charitable solicitations.	<input checked="" type="checkbox"/> Requires a few moments to advise IHS only when making contributions and recommendations. The Foundation handles all financial and administrative management.
<i>Personal Income Tax Deductions</i>	<input type="checkbox"/> Current year tax deduction limited to: <ul style="list-style-type: none"> <li>• 30% of personal income for cash gifts and appreciated property with deductions generally confined to donors cost basis.</li> <li>• 20% of personal income for gifts of appreciated publicly traded securities held long term deductible at fair market value.</li> </ul>	<input checked="" type="checkbox"/> Current Year tax deduction limited to: <ul style="list-style-type: none"> <li>• 50% of personal income for cash gifts</li> <li>• 30% of personal income for appreciated property at 100% of fair market value.</li> </ul>
<i>Excise Taxes</i>	<input type="checkbox"/> Usually 2% of investment income annually.	<input checked="" type="checkbox"/> No tax on IHS Donor-Advised Fund income.
<i>Distribution Requirements</i>	<input type="checkbox"/> 5% of foundation assets must be distributed annually in order to avoid income taxes. This payment is required whether or not the Foundation's investments earn that amount. Trustees must perform, contract, or hire staff for these services.	<input checked="" type="checkbox"/> No payout requirements. Can accumulate income toward a sizable project or grant. Has flexibility to hold low yield property. If the donor wishes, the Foundation can identify potential recipients, investigate applicants, make grant payments, and monitor performance.
<i>Liability and Risk Insurance</i>	<input type="checkbox"/> Must have own.	<input checked="" type="checkbox"/> Through the Foundation.
<i>Investment Management</i>	<input type="checkbox"/> A big responsibility the foundation must do itself.	<input checked="" type="checkbox"/> Provided through IHS's Investment Committee and Investment Policy, avoiding morally questionable stocks.
<i>Other</i>	<input type="checkbox"/> Must verify exempt status of charity.	<input checked="" type="checkbox"/> IHS verifies the tax status of charities.