



Options for Private Foundations

Many families with a private foundation have chosen to work with the Community Foundation recognizing our community knowledge and expertise.

A private foundation may be struggling with the following issues:

- Original purpose of the private foundation no longer has the urgency it once did.
- Financial and administrative factors make it difficult for the private foundation to operate effectively.
- The original founder may be slowing down and the children and/or grandchildren may not share his/her passion.
- Busy schedules and geographic dispersion make it increasingly difficult to provide administrative attention.
- The founder desires that his or her children focus on the family's philanthropy and not on the burden of foundation administration.

With these considerations, many private foundations seek other alternatives to maintain charitable purpose and flexibility of their foundation. Advantages of working with the Community Foundation include:

Family Involvement

- Active role for the family to practice and grow their philanthropy
- Ability to encourage the next generation

Cost Effectiveness

- Lower ongoing costs
- Ability to accept complex assets
- Greater tax benefits

Convenience

- No IRS or state filings or record keeping required
- No excise taxes on net income
- No 5% payout requirement
- Privacy and anonymity if you choose
- Due diligence on all grants

The Community Foundation Can Serve as a Succession Plan

Many private foundations have found it beneficial to include a succession plan in their by-laws that allow for the private foundation to transfer to the Community Foundation after a period of years or after the involvement of several generations.

Partner Grantmaking

If a private foundation's funding priorities align with the strategic grantmaking initiatives of the Foundation, we can partner together and make a greater impact in the community. A partnership will help to alleviate the duplication of grant proposals and due diligence review.