

A private foundation that uses York County Community Foundation's philanthropic services may solve many management concerns and build a strategic relationship with the Community Foundation. Your private foundation can have more impact by working with the Community Foundation because of our capacity to be an advisor, facilitator and convener.

There are several ways private foundations can work with the Community Foundation:

- Create a parallel advised fund to your private foundation
- Donate your foundation's annual payout to a Community Foundation fund, *or*
- Transfer your foundation's assets to an advised fund at the Community Foundation.

Option #1: Create a parallel advised fund to your private foundation.

Creating a parallel advised fund to a private foundation at the Community Foundation allows trustees to access the expertise of a community foundation's strategic grantmaking, philanthropic services and investment expertise without changing your current private foundation structure.

Option #2: Donate the foundation's annual payout to a Community Foundation fund

Trustees of a private foundation may face timing issues, or have difficulty deciding on worthwhile organizations to meet the annual five percent payout requirement. The Community Foundation can solve this problem by accepting contributions from a private foundation's annual payout.

Because a private foundation's contribution to the Community Foundation is a "qualifying distribution," it counts towards the five percent payout requirement. The private foundation will essentially make one grant (issuing just one check) each year, and the Community Foundation will disburse grants as recommended from the fund's advisor. This simplifies the private foundation's tax reporting and administration burdens. With this option, the trustees continue to guide the private foundation's investment strategy but can partner with the Community Foundation on effective, strategic grantmaking.

Option #3: Transferring your foundation's assets to an advised fund at the Community Foundation

Working with the Community Foundation can offer your private foundation a variety of services:

- Review and update its original purpose to address current and future needs,
- Knowledgeable grantmaking guidance and administration,
- Efficient, and cost-effective investment management,
- Decreased government regulations,
- Elimination of the annual mandatory five percent payout,
- Focus on philanthropy and the transfer of values to your children,
- Anonymity for donors, fund advisors, and grants, if desired.

By transferring a private foundation to the Community Foundation, your Board of Trustees can be assured that intelligent grantmaking will continue in the name of the foundation for generations to come. *You will benefit from reduced administrative burdens, maximized charitable giving, and the assurance that the foundation's work will go on as intended.* Private Foundations are permitted to terminate and transfer their assets to a public charity. The Community Foundation qualifies as a public charity to which a private foundation may distribute all of its assets. Such a termination releases the private foundation from the reporting requirements of the IRS Code, and also terminates the requirement to pay the excise tax imposed on private foundations.

Interested in more information? Contact York County Community Foundation at info@yccf.org or call 717.848.3733.