



**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 your foundation's annual payout to a Community Foundation fund**

Private foundation trustees may face timing issues or have difficulty deciding on organizations to meet the annual payout requirement. The Community Foundation can solve this problem by accepting grants 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 payout requirement. The private foundation could make one grant each year, and the Community Foundation will award 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 investments but can partner with the Community Foundation on effective grantmaking.

**Option #3: Transferring your foundation's assets to a 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 the assurance that the foundation's work will go on as intended.*