Private Foundation Restructuring and Terminations

Do Not Do This Without a Net!



Presented by:

Kimberly Eney | Latham & Watkins LLP

Jennifer Becker Harris | Clark Nuber PS



LATHAM & WATKINS LLP

Clark Nuber PS

© 2019 Clark Nuber all materials included Seek permission for republishing

in of the State of Relaware ITIGA with affiliated limited liability numerochies conductive the number of Salman M.

Why Change?

- Family issues
- Geographic dispersion
- Intentional (and planned) sunset
- External influences
 - Regulators
 - Media
 - Grantees
- Financial issues
- Change of focus
- Crisis



Clark Nuber PS

LATHAM®WATKINŞLIP

© 2019 Clark Nuber all materials included Seek permission for republishing

Latham & Watkins operates worldwide as a limited liability partnership organized under the laws of the State of Delaware (USA) with affiliated limite
Al-Sudain'is Latham & Watkins' associated office in the Kindom of Saudi Arabia. ID Copyright 2015 Latham & Watkins. All Rights Reserved.

Options

- Split
- Merge
- Wind down & terminate
- Convert to private operating foundation
- Operate as a public charity



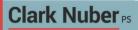
Clark Nuber PS

© 2019 Clark Nuber all materials included Seek permission for republishing

is operate worksids a a limited billibility partnership operated under the laws of the State of Delivery (ISA) with affiliated billibility partnerships conducting the practice in the United Gingdon, France, Italy and Singapore and as affiliated partnerships conducting the practice in Hong Kong and Japan. The Law Office of Saims, but a series of Saims, but a series

 What Private Foundation Re-organizations have you seen?

- Split up
- Merger
- Wind down or terminate (often gifts to a public charity or DAF)
- Operate as a public charity
- Conversion to a private operating foundation
- Two or more of the above
- None of the above



LATHAM&WATKINSLLP

LATHAM&WATKINS LLP

Splitting the Foundation

- Structuring the split: One new foundation or two?
- How will assets be divided?
 - Liquidate and transfer/transfer based on value
- Transfer of tax attributes to transferee foundation(s)
 - Distribution requirements
 - Substantial contributors
 - · Expenditure responsibility requirements
 - Other attributes
- Reporting
- · Notifying grantees and other stakeholders



Clark Nuber PS

© 2019 Clark Nuber all materials included Seek permission for republishing

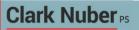
Latham & Watkins operates worldwide as a limited liability partnership organized under the laws of the State of Delaware (USA) with affiliated limi



Merging the Foundation

- Structuring the merger
- Corporate considerations
 - Name
 - Governance
- Notifications
 - State AG
 - IRS
- Tax attributes/compliance
- Reporting and filings





LATHAM&WATKINSLLP





Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Private Foundation Restructuring and Terminations

Also available as part of the eCourse 2019 Nonprofit Organizations eConference

First appeared as part of the conference materials for the 36th Annual Nonprofit Organizations Institute session "Private Foundation Restructuring and Terminations"