

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



Clark Nuber PS

© 2019 Clark Nuber all materials included Seek permission for republishing

LATHAM & WATKINS LLP

Latham & Watkins operates worldwide as a limited liability partnership organized under the laws of the State of Delaware (USA) with affiliated limited liability partnerships conducting the practice in the United Kingdom, France, Italy and Singapore and as affiliated partnerships conducting the practice in Hong Kong and Japan. The Law Office of Salman M. Al-Sudani is Latham & Watkins' associated office in the Kingdom of Saudi Arabia. © Copyright 2019 Latham & Watkins. All Rights Reserved.

Why Change?

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



Clark Nuber PS

© 2019 Clark Nuber all materials included Seek permission for republishing

LATHAM & WATKINS LLP

Latham & Watkins operates worldwide as a limited liability partnership organized under the laws of the State of Delaware (USA) with affiliated limited liability partnerships conducting the practice in the United Kingdom, France, Italy and Singapore and as affiliated partnerships conducting the practice in Hong Kong and Japan. The Law Office of Salman M. Al-Sudani is Latham & Watkins' associated office in the Kingdom of Saudi Arabia. © Copyright 2019 Latham & Watkins. All Rights Reserved.

Options

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

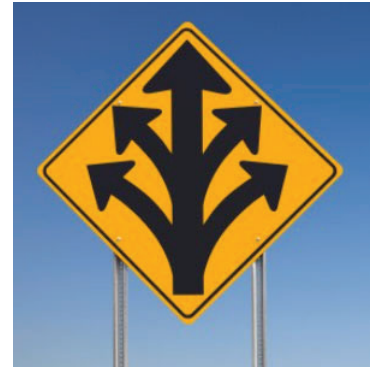


• *What Private Foundation Re-organizations have you seen?*

- 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

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



Merging the Foundation

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



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

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"