

Private Foundation Restructuring and Terminations

Do Not Do This Without a Net!



Presented by:

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Why Change?

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



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Options

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

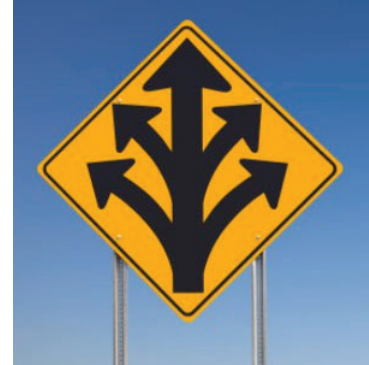


• *What Private Foundation Re-organizations have you seen?*

- 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



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