

# 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

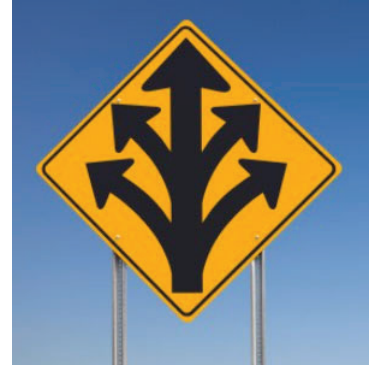


### • *What Private Foundation Re-organizations have you seen?*

- 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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