

# Personal Foundations

YOUR PHILANTHROPY. YOUR WAY.



## About Personal Foundations

Personal Foundations at Heritage Fund offer donors the opportunity to practice strategic philanthropy at the highest level. You decide what causes you care about and how you want to fund. We help you figure it out.

## The Benefits of a Personal Foundation:

- Named Personal Foundation
- Opportunity to work with graphic designer to develop a personal foundation logo (foundations over \$250,000). Option for branded letterhead, check stock etc.
- Flexible granting options (not limited to annual spend policy)
- Funds invested with HFBC larger asset pool
- HFBC staff expertise & administration
- Ability to name successor advisors
- Donors designate fund use in perpetuity
- Access to online portal for fund information, grant requests etc.
- Access to unique opportunities to network with other donors interested in strategic philanthropy
- Benefit of private foundation without the cost and restrictions (see reverse side for details)

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## Example of Personal Foundation at Heritage Fund:

The Mark & Wendy Elwood Foundation was established in 2020 to assist the Elwood's in furthering their charitable interests.



## Personal Foundations – See How We Compare

HFBC offers compelling advantages over other charitable options. Discover the benefits of partnering with us.

	HFBC PERSONAL FOUNDATION	PRIVATE FOUNDATION
<b>GRANTMAKING ADVICE</b>	Donor maintains control of grantmaking. HFBC staff is available to assist with identification and assessment of grant recipients	Must be arranged and paid for by the foundation
<b>ANNUAL FEES</b>	1% administrative fee + investment expenses	Grantmaking, administrative, and investment support are staffed and financed independently
<b>INCOME TAX DEDUCTIONS FOR:</b>		
Cash gifts	Up to 50% of adjusted growth income	Up to 30% of adjusted growth income
Publicly traded securities	Fair market value up to 30% of adjusted growth income	Fair market value up to 20% of adjusted growth income
Real estate, closely held securities	Fair market value up to 30% of adjusted growth income	Deductible at cost basis up to 20% of adjusted growth income
<b>START-UP CONSIDERATIONS:</b>		
Costs	None	Several thousand dollars for legal and accounting expenses and filing fees
Timeframe	Immediate	Several months
Minimum contribution	None	None, but smaller private foundations may not be cost-effective
<b>IRS REPORTING</b>	None	Annual tax return required, including detailed financial schedules
<b>TAXES</b>	None	Excise tax is 2% of net investment income, including net capital gains
<b>DONOR CONTROL OF GRANTMAKING AND INVESTMENTS</b>	Donor recommends grants to qualified nonprofit groups of their choice	Donor appoints board, which controls investments and grantmaking
<b>DISTRIBUTION REQUIREMENTS</b>	None	At least 5% of net asset value annually. Penalty tax is 30% of undistributed amount
<b>TAX STATUS</b>	Covered under HFBC public charity status	Applies to IRS for private foundation tax-exempt status
<b>PRIVACY</b>	Donors may remain anonymous	Donor may remain anonymous, but IRS Form 990-PF lists officers, directors, and trustees