

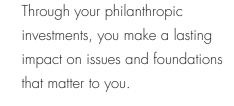
Supporting Foundations

A flexible, hassle-free alternative to a private foundation





Stark Community Foundation is your foundation



A supporting foundation at Stark Community Foundation allows you to take an active approach to your giving, backed by professional staff who make it easy. A supporting foundation is a separate legal entity that qualifies for the tax advantages of a "public charity" due to its affiliation with Stark Community Foundation. A supporting foundation is an alternative to a private foundation for people who want an involved approach to their giving and minimal administrative work while still enjoying some autonomy.





How it works

Understanding supporting foundations

How you benefit

- You select the name, identity, mission and issue areas you want to support.
- Your supporting foundation operates independently as a separate legal entity with its own 501(c)(3) status. Stark Community Foundation assists you with required federal and state regulatory reporting.
- You create a board of trustees in cooperation with Stark Community Foundation.
- You and the board of trustees establish the investment strategy and grant priorities.

- You can rely on Stark Community
 Foundation's community expertise
 to lead you to effective, innovative
 foundations and strategies you wish
 to support locally, nationally or
 internationally.
- Family members can actively participate in your giving, and you can create a lasting legacy by involving successive generations.
- Supporting foundations have no minimum payout requirement.
- Unlike a private foundation, gifts to the supporting foundation qualify for the highest tax-deduction limitations and are not subject to excess business holdings rules.
- Supporting foundations are not subject to the excise taxes that private foundations must pay.

Stark Community Foundation is dedicated to making your giving effective and convenient. Our knowledgeable staff is here to guide you through the process of establishing and administering a supporting foundation.

Making the right choice for you

Administrative support allows you to focus on giving while we take care of the paperwork.

- Consultation to you and the board of trustees regarding mission development, grantmaking priorities and communications strategies
- Due diligence and expenditure responsibility for grants you wish to make locally, nationally or internationally
- Request for proposal support, including screening applications and creating reports for the board and grantees
- Corporate record keeping for board functions
- Allowance for legal services for initial preparation and amendment to organizing documents and policies
- Branded letterhead, checks and collateral, and website hosting and maintenance
- Access to the Foundation's support staff, systems and facilities

Financial and tax-reporting services are all provided for you.

- Financial and accounting services, coordination of Form 990 preparation and filing with the IRS
- Annual reporting to state and local government agencies
- Management of all procedures and documentation necessary to be compliant with current laws and regulations

Community expertise, based on the Foundation's long, deep ties to Stark County, allows you to give with confidence.

- One-on-one consulting with experienced staff members knowledgeable in your area
- Connections with other donors and stakeholders with similar interests
- Opportunities to co-invest with Stark Community Foundation and other Foundation donors



Why a Supporting Foundation?

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	Supporting Foundation of Stark Community Foundation	Private Foundation
Set-Up Considerations Time frame Recommended Minimum Contribution	Generally 1 to 2 months \$500,000	Initial set up 1 to 2 months At least \$1 million recommended to justify startup and maintenance costs
Tax Considerations		
Cash Publicly Traded Securities Closely Held Stock/ Real Estate Tax Status	Deduction of up to 60% of AGI FMV deduction of up to 30% of AGI FMV deduction of up to 30% of AGI 501(c)(3) public charity due to	Deduction of up to 30% of AGI FMV deduction of up to 20% of AGI Deduction is limited to the donor's cost basis or FMV, whichever is lower, up to 20% of AGI 501(c)(3) private foundation; not as
ida didiod	its relationship with SCF	favorable as public charity status
Tax Return & Audits Private Foundation Excise Taxes	Annual returns are prepared and filed by SCF Not applicable	Must be performed by foundation managers or a professional accountant Excise tax of 1% or 2% on net investment income and substantial excise taxes imposed for failure to meet payout requirement and for engaging in certain prohibited transactions such as self-dealing
Administration		
Administrative Services	Most services covered by an annual fee of approximately 1% (depending on total assets donated) of FMV of assets	Must be performed by board members or offices ("foundation managers") or any hired staff
Payout Requirement	No required payout	Annual payout of at least 5% of foundation assets
Donor Involvement	Supporting Foundation board has control over investments and grant-making; SCF and donor appoint board members	Donor appoints board, which controls investments and grant-making
Grantmaking Support	SCF's professional staff can help identify and assess grantees,	Grantmaking activities must be conducted by foundation

Definition of Terms: SCF = Stark Community Foundation; AGI = Adjusted Gross Income; FMV = Fair Market Value

and advise on community needs; educational events and consultation

available

managers or hired staff

A wide variety of gifts are accepted



When you establish a fund at Stark

Community Foundation, you can choose
to transfer a wide variety of assets to the
fund, each of which may offer different tax
advantages.

- Cash
- Marketable securities such as stocks, bonds and mutual funds
- Real estate
- Closely held assets and other assets (upon review by Stark Community Foundation)

Converting a private foundation or component fund made easy

Many individuals create private foundations to facilitate their giving but later discover that managing a private foundation's affairs is not as easy or rewarding as it once seemed.

As well, many individuals that have created a component fund, such as a donor advised fund, at the Foundation desire greater autonomy and identity.

Stark Community Foundation can help you terminate or transfer these assets to a supporting foundation

Starting a supporting foundation

5

If you think a supporting foundation might be right for you, contact our Advancement Office at 330-454-7992 or bneisel@starkcf.org.

We will answer your questions and guide you through the process of completing the establishing documents.

Your Trusted Partner in Giving.

Stark Community Foundation 400 Market Avenue North, Suite 200 Canton, Ohio 44702 Phone: 330.454.3426

www.starkcf.ora