



OKLAHOMA CITY COMMUNITY FOUNDATION

Administering your own private or charitable foundation can be rewarding and provide a way to create a family legacy. It can also be burdensome and costly. Simpler, and in many cases, more practical alternatives to a private foundation are available at the Oklahoma City Community Foundation.

Helping you help the community

By transferring the assets of a private foundation to a fund at the Oklahoma City Community Foundation, you and/or your family can remain involved in grant making decisions and ensure that your charitable intentions are continued. In addition, as a 501(C)(3) public charity, we handle all administrative and legal requirements, offer greater tax advantages and have fewer restrictions than private foundations.

Five reasons to consider terminating a private foundation into a fund at the Oklahoma City Community Foundation

1. Greater tax deductibility for future gifts and no excise tax on fund assets.
2. Administration and reporting including the filing of tax returns handled by the Oklahoma City Community Foundation.
3. Access the expertise of our staff for researching grants and nonprofit organizations to make an impact for your giving.
4. No required annual distribution to charity.
5. The ability to make grants anonymously.

Below are just a few examples of how we've helped donors who have transferred assets of their private foundation to a fund at the Oklahoma City Community Foundation

Paul Milburn started out teaching and later served as administrator at several state vocational centers. It was the land development business where Mr. Milburn would make his mark. His success over the years allowed him to focus on helping others, initially through his own private foundation. In 2007, Mr. Milburn transferred the assets of his private foundation to establish an advised fund at the Oklahoma City Community Foundation. Since then, he has created additional funds through both the sale and giving of real estate. Transferring the assets of his private foundation allowed Mr. Milburn to focus solely on his charitable giving. "A portion of my charitable giving will now go on indefinitely which would not be practical for a private foundation," he explains. "Plus, the staff has offered much valuable guidance and suggestions of how we could benefit."



Paul & Ann Milburn

Donna Nigh has spent most of her life championing the rights of Oklahoma's developmentally disabled. She

THE DONNANIGH FOUNDATION

worked tirelessly through both of her husband's terms as governor and was successful in securing state funding for group homes that continues still. In 1985, the Donna Nigh Foundation was established as the state's first independent, charitable foundation for the benefit of the developmentally disabled. In 1997, Donna and George Nigh transferred the assets of the charitable foundation into a permanent endowment fund at the Oklahoma City Community Foundation. The Nighs continue to remain active in reviewing grant applications, making recommendations and encouraging charitable gifts to the Donna Nigh Foundation fund.

Types of Funds to Consider

Advised Funds

We offer three advised fund options. Two of the options, the Gift and the Express Funds, are completely spendable while the third, the Legacy Fund, is a permanent endowment fund.

Supporting Organization (Affiliated Fund)

The Internal Revenue Code allows organizations such as private foundations and charitable trusts to have public charity status by being affiliated with a community foundation. The technical term for this type of fund is supporting organization. At the Oklahoma City Community Foundation, we refer to these funds as Affiliated Funds. An Affiliated Fund can be established with an initial minimum gift of \$500,000. As required by the IRS, each Affiliated Fund operates under a set of organizing documents and structure that establishes the fund as part of the Oklahoma City Community Foundation. Affiliated Funds with assets in excess of \$2.5 million may choose one or more of the current investment managers or choose to retain your current investment advisor(s). Funds below \$2.5 million in assets are pooled with other endowments for investment purposes.

Field of Interest Fund

A private foundation's assets may also be used to create a Field of Interest Fund. Upon establishing the fund, the private foundation representative would define the type of charitable programs/projects the fund would support. The Oklahoma City Community Foundation Trustees would each year approve grants that meet the defined programs or projects.

Comparison Chart

	Permanent Advised Fund at the Oklahoma City Community Foundation (OCCF)	Supporting Organization at the Oklahoma City Community Foundation (OCCF)	Private Foundation
Important distinctions			
Donor Involvement	Donor recommends grants to qualified nonprofit groups.	Donor works with our staff to appoint a board of trustees.	Donor appoints the board.
TAX STATUS			
Establishing Gift Minimum:	Public charity \$10,000	Public charity \$500,000	Private charity Typically, several million.
Annual Required Payout	None required.	None required.	At least 5% of assets.
IRS Reporting/Tax Returns	Included as part of OCCF.	OCCF handles all reporting including filing tax returns.	Responsibility of donor/board.
Liability and Risk Insurance:	Provided.	Provided.	Purchased by donor/board.
Fiduciary Responsibility:	OCCF fulfills.	OCCF fulfills.	Donor/board fulfills.
TAX DEDUCTIONS			
Cash Gifts	Up to 50% of adjusted gross income.	Up to 50% of adjusted gross income.	Up to 30% of adjusted gross income.
Appreciated Stock Gifts	Fair market value up to 30% of adjusted gross income.	Fair market value up to 30% of adjusted gross income.	Fair market value up to 20% of adjusted gross income.
Real Estate and Closely-Held Stock Gifts	Fair market value up to 30% of adjusted gross income.	Fair market value up to 30% of adjusted gross income.	Cost basis up to 20% of adjusted gross income. limitation on ownership of closely-held stock.
Can Others Contribute to the fund and receive a tax deduction?	Yes.	Yes.	Yes, but with limitations.
ADMINISTRATIVE & GRANTMAKING SUPPORT			
Making Grants	Our staff is available to help identify, assess and vet grantees. Staff also can provide updates on community needs and verify organization's nonprofit status. Grantees are notified that grants are from your named fund or you may remain anonymous. Secure, online access to fund information and grant recommendations.	Our staff is available to help identify, assess and vet grantees. Staff also can provide updates on community needs and verify organization's nonprofit status. Grantees are notified that grants are from your named fund or you may remain anonymous. Secure, online access to fund information and grant recommendations.	Donor/board must establish and support grant process including verifying nonprofit status.
Administration	Services provided by OCCF.	Services provided by OCCF.	Accounting, investments and IRS filings handled and paid by donor/board.
EXPENSES			
Initial Costs	None.	None to minimal. OCCF absorbs legal costs and filing fees directly related to establishing a fund.	Varies with size and complexity or establishing gift.
Administrative and Investment Fees	Pooled administration; moderate annual fee.	\$6,000 base fee and 20 basis points (0.2%) for funds with market values up to \$10 million.	Varies.
Tax on Investment Income	None.	None.	Up to 2% annually.
Excise Tax	None.	None.	Subject to an excise tax of up to 2% of net investment gain, including net capital gain and income.

Steps to Transitioning Your Foundation

The transition of a private foundation into a charitable fund at the Oklahoma City Community Foundation is not a complicated process. We encourage you to work with your legal counsel and professional advisor to discuss the process. We provide an overview of the steps to transitioning a private foundation at www.occf.org/overview.

About the OKLAHOMA CITY COMMUNITY FOUNDATION

We are a 501(c)(3) public charity founded in 1969 to provide a simple and personal way for anyone to make a difference through charitable giving. We work with individuals, families, businesses and charities to establish funds for the immediate and long-term benefit of a community. Our permanence, proven investment management and administration of charitable funds ensure donors that their gifts will be directed as they wish.

What is a Community Foundation?

Community foundations accept charitable gifts from the general public to establish permanent endowment funds and also provide grants to charitable organizations. Governed by local volunteers, community foundations offer the advantage of knowledge on a community or region's opportunities and needs and are able to accommodate grants to local, statewide and national charitable programs and projects. The first community foundations were established in the early 1900s and today there are more than 700 community foundations in the United States. And, as 501(c)(3) public charities, community foundations offer the maximum tax benefits available.

For More Information

Please contact us at info@occf.org if you'd like additional information or visit our website at www.occf.org.



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