

FOUNDATION SOURCE IN BRIEF

A Guide to What We Can Do for You

Get everything you need to run your foundation under one roof.

Foundation Source supports and advises more than 1,500 private foundations, of all sizes, nationwide. Approaching our third decade, we are the nation's largest provider of comprehensive support services for family, corporate, and professionally staffed foundations, bringing unparalleled knowledge and expertise to clients across the country.

Our clients turn to us for help with everything from establishing their private foundations to developing their philanthropic strategies. The only functions we don't offer are investment management and legal counsel—but we coordinate closely with the advisors our clients designate.

Our foundation management, advisory services, and online resources provide a total outsourced solution for private foundations.

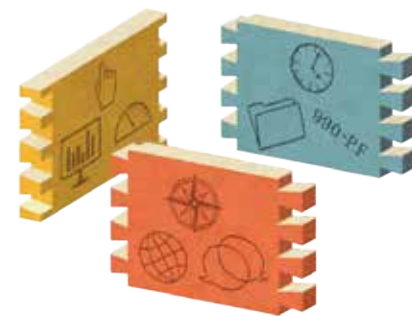
Everything You Need, Day One

We offer everything you need to establish a foundation and keep it running smoothly. Our comprehensive portfolio of support services simplifies and streamlines all aspects of your foundation. And because you get all of these services in one place, nothing ever "falls between the cracks." You get the seamless support your foundation needs along with the convenience that you deserve.

As Your Foundation Grows, We Grow With You

You get the horsepower and expertise you need to make a real difference without overseeing a team of advisors or building a bureaucracy. Whether you need support for basic functions today, or guidance to explore some of the more complex capabilities of a private foundation

Please see the other side for a detailed list of our services.



tomorrow, you can rest assured that we'll be with you every step of the way. Services include:

Foundation Management

Our professional staff handle all of your foundation's administrative functions, including grant and expense processing, compliance monitoring, tax preparation and filing, and financial and regulatory reporting.

Advisory Services

With Foundation Source, you gain access to a team of private foundation experts who serve as your virtual staff. Your Private Client Advisor is just a phone call away. He or she is backed by in-house philanthropy, tax, legal, and accounting professionals to provide top-tier expertise, responsive service, and comprehensive support.

Online Resources

Connect with your foundation anytime, anywhere from any Internet-enabled device. Your secure web console enables you to research nonprofits, make grants, and maintain oversight of foundation activities. View the foundation's investment balances across all accounts, track progress toward its 5% distribution requirement, review grant history, and generate online reports. The console makes it easy to communicate with foundation members and collaborate on decisions while maintaining total transparency into foundation activities.

FOUNDATION SOURCE SERVICES

This list details all of the services offered by Foundation Source.

FOUNDATION MANAGEMENT

New Foundation Creation

- Provide corporation structure (State of Delaware)
- File IRS Form 1023 for tax-exempt status
- Define foundation's policies and guidelines
- Configure foundation's web console and provide orientation
- Coordinate with client's financial, legal, and tax advisors

Existing Foundation Implementation

- Configure foundation's web console and provide orientation
- Enter foundation grant history (up to five years)
- Set up budgeting and any multi-year commitments
- Assess current state(s) filing status
- Coordinate with client's financial, legal, and tax advisors

Administration and Governance

- Undertake foundation recordkeeping
 - › Funding and income
 - › Expenses and fees
 - › Assets and valuations
 - › Grant history
 - › Substantial contributors
- Track 5% minimum distribution
- Archive corporate, tax, and other foundation documents
- Manage online access rights

Compliance

- Verify grantee's 501(c)(3) public charity status
- Provide USA PATRIOT Act due diligence
- Identify supporting organizations
- Monitor "Advance Ruling" expirations
- Monitor grants and expenses to help prevent:
 - › Self-dealing
 - › Jeopardizing investments
 - › Taxable expenditures
 - › Excess business holdings, etc.
- Monitor affiliations with other nonprofits
- Track substantial contributors

Transaction Processing

- Process contributions to the foundation
- Prepare grant checks and transmittal letters
- Pay fees and expenses
- Provide payroll services (if applicable)
- Provide transaction accounting

Tax Preparation and Filing

- Calculate and pay quarterly estimated taxes
- Prepare and file federal 990-PF return
- Prepare and file 990-T UBIT return as needed
- Prepare Forms 1099 and 1042 for independent contractors
- Prepare and make state filings
- Provide donor substantiation receipts
- Maintain tax records in foundation archive

Financial and Grant Reporting

- Grant activity and transaction reporting
- Expense reporting
- Financial reporting

ADVANCED FOUNDATION MANAGEMENT

Specialized Grantmaking Services

- Expenditure responsibility grants
- Equivalency determination
- International granting
- Program-Related Investments and recoverable grants
- Scholarship, fellowship, and award programs
- Direct charitable activities
- Set-asides

Specialized Compliance and Tax Services

- Compensation benchmarking
- Transition-year tax returns and amended tax returns
- Audit support (not IRS audit)
- Limited partnership, trust, and S-corporation investments
- Foundation DBA (doing business as) filings

ONLINE RESOURCES

Web-Based Foundation Management Tools

- Online foundation "command center"
- Orientation and training

Online Research

- Database of more than 1 million IRS-approved charities
- Access to GuideStar® and Charity Navigator
- Charity research requests

Online Granting

- Automated granting to IRS-approved charities and others
- Customized grant approval workflows
- Favorite charities list for expedited granting
- Hardship, emergency, and medical distress grants to individuals
- Grant certificates

Online Tracking

- 5% minimum distribution requirement
- Grant history by date, donor, and program area
- Pending grants
- Funding history by date and donor
- Foundation expenses

Online Reporting

- Over 25 customizable report templates
- Financial activity, expenses, grant history

Online Administration

- Foundation document archive
- Personal profile
- Report codes
- Contact file

ADVANCED ONLINE RESOURCES

- Foundation Source Requests®
 - › Customized grants management platform
 - › Online applications
 - › Online eligibility quiz to vet applicants
 - › Communication and collaboration tools
 - › Correspondence management

- Foundation Source Results®
 - › Online portal to monitor grant performance and impact
- Uploading additional grant history
- Multi-year commitments
- Program areas with budgeting
- Multi-payment grant management
 - › File management

ADVISORY SERVICES

Private Client Advisors

- One-on-one customer service
- Set up customized web-based command center
- Configure granting permissions and grant-approval processes
- Provide orientation and technology support for website users
- Monitor qualifying distributions
- Manage schedules for state and federal filings
- Review and process foundation expenses
- Review grants for compliance with IRS regulations
- Review grant letters to help avoid compliance issues
- Provide implementation support for advanced services
- Facilitate board meeting preparation

ADVANCED ADVISORY SERVICES

Philanthropic Directors

Governance and Family Engagement

- Mission and focus
- Strategic planning
- Succession planning
- Board development
- Retreats and meeting facilitation
- Best practices review

Effective Philanthropy

- Field research
- Program design
- Impact evaluation
- Innovative grantmaking strategies
- Leadership and next-generation coaching

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