

# CORPORATE FOUNDATIONS: GETTING STARTED

## The Benefits of Establishing a Corporate Foundation

### Outsourced Expertise and Support Services to Establish and Help You Manage Your Corporate Foundation

A corporate foundation provides many unique benefits. It can improve the impact and focus of a company's philanthropic activities, and at the same time advance the company's larger strategic goals.

#### Corporate Foundation Benefits

- A corporate foundation can engage in charitable activities that would not be tax deductible if handled directly by the company. These include loans for a charitable purpose that are paid back to the foundation; grants to for-profit entities when they are used for a charitable purpose or to advance the work of the foundation; scholarship programs; and even grants to individuals for disaster relief and economic hardship.
- It can allow for a more consistent level of giving; building an endowment in years when company profits are high that can be tapped during less profitable years.
- The company can avoid capital gains taxes when highly appreciated assets—such as stock, land, and other appreciated property—are "gifted" to the corporate foundation.
- Staffing and overhead for the foundation can be paid by the foundation, resulting in a reduced cost to the company.
- When named for the company, the foundation's charitable activities reflect positively on the company's image. Similarly, a company with a well-known and respected name can generate greater public visibility for the foundation's charitable activities.

- The foundation's funding guidelines can help company executives gracefully turn down inappropriate funding requests, especially from friends, customers, and employees.
- Unlike donations made directly by the company, foundations are not required to collect substantiation receipts from nonprofits for gifts greater than \$250. For companies with matching gift programs, or that make many small donations, this means they do not have to expend resources tracking and collecting these receipts.

#### Starting a Corporate Foundation Has Never Been Faster or Easier

Foundation Source will establish your corporate foundation and have it ready for funding in less than a week. Over the past decade we've created over 1,000 foundations and have developed a proven and streamlined process.

Here's what's included:

- Creation of the foundation entity (a Delaware nonprofit corporation)
- Bylaws and essential governance policies
- Preparation and filing of the IRS application for exempt status (Form 1023)



## Simplified Foundation Management

Foundation Source provides a full suite of services to keep your corporate foundation running efficiently, effectively, and compliantly. This allows your staff to devote their time to strategy and program development, as well as the needs of running your business.

We take care of everything: state and federal filings, transaction accounting, document management, compliance monitoring, transaction processing for grant checks, transmittal letters, expenses, and fees.

You'll also enjoy peace of mind knowing that foundation experts are keeping watch to help you avoid compliance issues that can result in financial penalties, reputational harm, and even loss of exempt status.

Below is a brief summary of our foundation management services.

### Administrative Support

We provide the day-to-day support all corporate foundations need to operate efficiently and compliantly. This includes transaction recordkeeping, active compliance monitoring, grant check processing, and state and federal filings. There's no need to hire additional staff or burden existing employees with duties they aren't trained for.

### Online Resources

*Foundation Source Online*® is a secure, web-based platform for managing foundation activities, including charity research, grantmaking, reporting, viewing investment balances across all accounts, and checking your 5% minimum distribution requirement. Viewing rights and permissions are individually defined for each staff member given access to the site. It provides transparency into foundation activities and facilitates communication and collaboration among those involved.

## Advisory Services

We have philanthropy, tax, and legal experts to get you started and then take your foundation to the next level. Services are coordinated through a dedicated Private Client Advisor, who serves as your primary contact and gets to know you and your foundation inside and out.

## Streamlined Grants Management

*Foundation Source Results*® facilitates the grantmaking process, making it easy for your foundation to accept and review online applications while also making the process convenient for your applicants. Because applications are submitted electronically, staff can efficiently organize and manage grant requests; centrally communicate about them; review them online; and easily generate data and reports.

*Foundation Source Results*® helps the foundation track the impact of its charitable donations, monitor performance, and request formal reports, all from a simple web console. It automates the process of collecting key performance information from nonprofits, including how grant funds were spent, grantee's progress towards goals, unexpected challenges, and lessons learned.

## Employee Engagement

These optional services are available through our network of preferred partners: workplace giving, volunteer tracking, international programs, fundraising campaigns, and disaster relief.

To learn more about our services for corporate foundations, or to arrange for a demonstration of our online foundation management tools, give us a call at 800-839-0054.

---

## ABOUT FOUNDATION SOURCE

[www.foundationsource.com](http://www.foundationsource.com)

Foundation Source is the nation's largest provider of comprehensive support services for private foundations. Our complete outsourced solution includes foundation creation (as needed), administrative support, active compliance monitoring, philanthropic advisory, tax and legal expertise, and online foundation management tools.

Now in our second decade, Foundation Source provides its services to more than 1,500 family, corporate, and professionally staffed foundations, of all sizes, nationwide. We work in partnership with wealth management firms, law firms, accounting firms, and family offices as well as directly with individuals and families. Foundation Source is headquartered in Fairfield, Connecticut.

Have a question? Call 800.839.0054 or send us an email at [info@foundationsource.com](mailto:info@foundationsource.com).

55 Walls Drive, Fairfield, CT 06824  
T 800.839.0054  
F 800.839.1764  
[www.foundationsource.com](http://www.foundationsource.com)