

CASE STUDY:

ALTERNATIVE TO A PRIVATE FOUNDATION

THE SITUATION

- Individual established a private foundation, but has been overburdened by the administrative tasks such as filing IRS Form 990-PF, quarterly excise taxes, and grant administration.
- Children live in different states and bringing them together has proven more difficult than originally assumed.
- Individual wants a vehicle from which to plan grants, but would like to eliminate the administration.
- Individual was under the impression that they could make anonymous donations from a private foundation.

CONSIDERATIONS

- Individual would prefer to keep their giving consolidated into one charitable vehicle.
- Individual is looking for a vehicle that will cut the costs and time associated with administering a private family foundation.
- Individual wants a solution to provide a centralized online account management solution.
- Individual is uncomfortable with the public disclosure requirements of a private foundation and would like a giving vehicle that would allow the ability to grant anonymously.
- Individual would like a vehicle that would allow each child to plan his or her own giving.

THE SOLUTION

- Individual chooses to collapse foundation into a newly established *Fidelity*® Charitable Gift FundSM Giving Account® in the name of individual family members. They have the ability to collapse into individual Giving Accounts in the name of each child.
- The Gift Fund can provide instructions about how to file the final tax return to the IRS.

THE BENEFITS

- Provides a way for the Individual to meet their philanthropic goals and support charities during lifetime and beyond.
- Subject to certain requirements, Individual can recommend their own investment advisor to manage the Gift Fund's assets.
- Charities supported by Individual, through their Giving Account, can potentially receive larger grants.
- No federal excise tax.
- Ability to recommend grants anonymously.
- Individual is eligible for a tax deduction of the shares up to 30% of their Adjusted Gross Income ("AGI"). If the tax-deductible value of the donation is greater than 30% of AGI, the donor can carry forward the deduction for 5 years.

**For more information,
please call a Planned Giving Associate at 800.682.4438
or visit www.charitablegift.org**

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