

## Private Foundation Relationships: Scope of Services

### **What does the Quad Cities Community Foundation offer?**

The Community Foundation offers the leverage of its core philanthropic, grantmaking, administrative, financial, communication and stewardship functions to select private foundations to ensure the purpose and legacy of the private foundation continues to have meaningful and transformative charitable impact. This arrangement takes the burden of administration of a private foundation off the Trustees while fulfilling the donor's intent in perpetuity.

### **Why choose to partner with the Community Foundation?**

By developing these partnerships, the Community Foundation perpetuates and stewards the legacy of a private foundation with a menu of professional services. Identifying a scope of services and to what degree a private foundation wishes to engage our philanthropic expertise is a first step.

After more than 60 years of building relationships with nonprofits and our region's philanthropists, we bring not only expertise in grantmaking and private foundation support services, but also experience bringing good people together to do big things.





When it comes to the grantmaking process, let us do the heavy lifting. The Community Foundation provides many grantmaking services that can help further the philanthropic efforts of your foundation.

# Grantmaking Services

## Research and development

- Develop and support foundation mission, goals, grantmaking strategy, granting guidelines, policies and procedures.
- Relationship building and communications with nonprofits and applicant organizations.
- Identification of collaborative and innovative grantmaking opportunities within the foundation's fields of interest.
- Research, evaluation and guidance in responsive and proactive grantmaking. Monitor issues of interest to the foundation and bring them forward for discussion.
- Preparation and presentation of information, programs and materials, and coordination of activities responsive to special requests related to grantmaking and the foundation's philanthropic efforts.

## Coordination and ongoing maintenance

- Notification to applicants of granting decisions.
- Coordination with foundation's bank to issue grant payments accompanied by grant correspondence prepared by the Community Foundation on behalf of the foundation.
- Maintenance of historical applicant and grantee records, foundation correspondence files and other records related to the foundation's grant making.

## Tracking and evaluation

- Receipt and acknowledgment of funding proposals as well as logging, tracking and final disposition of proposals.
- Arrangement of site visits, interviews or other pre-grant inquiries to evaluate funding proposals, including first-time organization requests.
- Completion of proposal screening and evaluation process to fulfill the stated policies and interest of the foundation, including access to the Community Foundation's online grant application and review system through the Foundation online platform.
- Preparation of proposal recommendations and evaluation summaries for review by the foundation trustees.



**COMMUNITY FOUNDATION—PRIVATE FOUNDATION COMPARISON**

Comparison	Fund at Community Foundation (endowed or non-endowed)	Private Foundation
IRS charitable status	Created by a simple form at the Quad Cities Community Foundation (QCCF). Automatically covered by the Community Foundation's 501(c)(3) tax exempt status.	Professional advisor(s) required to create foundation. Corporation or trust required. Must secure tax-exempt status using Form 1023 (may take six months or longer to process).
Separate annual IRS tax return required	No.	Yes.
Privacy	<p>Yes.</p> <p>Fund information is kept private and confidential. No public disclosure of grants or donations is required.</p> <p>Donors are generally recognized as grants are disbursed, but grants may be made anonymously. If a donor wishes, the Community Foundation can serve as the buffer between donors and grant-seekers.</p>	<p>No.</p> <p>Must file IRS Form 990-PF which is open to public inspection. Private foundations are required to file detailed tax returns on grants issued, investment fees, trustee fees, staff salaries, asset size, etc. These are public records and are often compiled into grant-seeker directories.</p>
Investment, accounting, audit and tax returns	The Community Foundation handles all accounting, investments, files annual tax returns and provides an annual independent audit.	Trustees must perform, contract or hire staff for these services.
Governing body	<p>Advisor may be the founding donor or may be a committee of family members and/or others.</p> <p>Successive generations may participate in future giving.</p> <p>To maintain IRS compliance, Community Foundation will approve all grants and administrative matters.</p>	<p>Governing body may consist of donor and related persons.</p> <p>Governing body members are liable as Directors.</p> <p>Governing body must approve all grants and administrative matters.</p>

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Endow Iowa Tax Credit eligibility	Permanent fund may be eligible for up to 25% Iowa tax credit in addition to the federal income tax deduction and in lieu of the state income tax charitable deduction.	Not eligible.
Tax treatment of cash gifts	Deductible up to 60% of adjusted gross income (AGI).	Deductible up to 30% of AGI.
Tax treatment of gifts of appreciated publicly-traded securities	Full market value deductible up to 30% of AGI.	Full market value deductible up to 20% of AGI.
Tax treatment of closely held stock or real estate	Full market value deductible up to 30% of AGI or cost basis up to 50% of AGI.	Deduction limited to donor's cost basis, up to 20% of AGI.
Minimum payout requirements	Can accumulate toward a sizable project or grant with no legally required annual payout.	Yes.  Minimum 5% of average asset value each year under IRS Section 4942.  Must meet the minimum distribution rules whether or not the private foundation's investments earn that amount.
Excise tax on investment income and net realized capital gains	None.	Generally, 2%; may be reduced to 1% under special circumstances.
Self-dealing rules	Not applicable.	Strict prohibition under IRS Section 4941.

For more information about establishing a fund at the Quad Cities Community Foundation, email [development@qccommunityfoundation.org](mailto:development@qccommunityfoundation.org) or call (563) 326-2840.

**Funds at the Quad Cities Community Foundation are subject to rules and requirements of the IRS. All donors should consult with their tax advisors to review their individual circumstances.**



## Administrative and Support Services

### General administration

- Professional management and oversight of all foundation activities with adherence to National Standards for Community Foundations as set forth by the Council on Foundations.
- Preparation of grant information, schedules and other information as needed for the 990 Private Foundation tax return and audit.
- Preparation and completion of other reports and special projects as directed; prepare reports for the Council on Foundations and other membership organizations.
- Receipt and management of foundation correspondence, phone and other inquiries.
- Maintenance of secure digital data recordkeeping and offsite backup systems
- Arrangement, coordination and staffing of foundation board meetings, including preparation, meeting minutes, printing, packaging and delivery of materials for the foundation's meetings.

### Budget and finances

- Preparation of the foundation's annual operating budget and pledge payment schedule, monitoring of grant expenditures, expenses and funds available in relation to the grantmaking program.
- Oversight of investments.
- Accounting services that include financial statements on a quarterly basis. Foundation can choose access to financial and grant information on online portal.
- Fulfillment of accounts payable with foundation authorization.
- Solicitation of bids for services or equipment needed by the foundation.

### Marketing

- Creation of letterhead and envelope templates for foundation printed material, and provide storage for Foundation supplies"
- Creation, maintenance and/or updates of the foundation's web pages.
- Preparation, distribution and promotion of news releases and story placement to inform the region's public of foundation granting activities and community impact, including responses to inquiries from the press.

### Human resources

- Facilitate training and orientation of current, new and next generation board members, as requested.

## Board of Directors

Kent Pilcher, *Board Chair*  
Dr. LaDrina Wilson, *Vice Chair*  
Tom Thoms, *Treasurer*  
Cristy Tackett-Hunt, *Secretary*

John Anderson  
Debbie Anselm  
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Elizabeth Cervantes  
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Lance Leslie  
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**CFNS**  
ACCREDITED  
FOUNDATION



QUAD CITIES  
**Community  
Foundation** 

**Generosity lives here.**

**Transforming the region through the generosity of donors.**  
852 Middle Road / Suite 100 / Bettendorf, Iowa 52722 / (563) 326-2840  
[QCCommunityFoundation.org](http://QCCommunityFoundation.org)