

MINUTES
Foundation Planning Task Force
Structure Sub-Committee
August 10, 2017, 6:00 p.m.
Mayor's Conference Room

The meeting began at approximately 6:10 p.m.

Sub-Committee Members Present

Katie Collin, Michael Bentley, Chuck Garven, George Hillow,
Dawn Pyne

Not Present:

Laura Rodriguez-Carbone

Others Present

Shannon Strachan, Executive Assistant to Mayor

1. Katie Collin, Chair opened the meeting by passing out a copy of an agenda and a draft foundation spreadsheet that had been shared with the group prior to the meeting.
2. Katie advised the group that the spreadsheet was a draft starting point for what she hoped would be an outline of the features of each type of foundation and the pro and con list to the task force's selection of each type of foundation.
3. A discussion of the types of foundations was had amongst the subcommittee members about the features of each type. Additional discussions about expected annual costs for operating a foundation including the cost of staff and overhead. Questions were also posed about what a 501(c)(4) organization would provide.
4. Katie advised the group that she would be updating the spreadsheet and sending out to the group for comment.
5. Action items for follow up:
 - a. Katie Collin to update spreadsheet with further features and pros and cons of the various foundations. She would send out to the committee for comments and additions to be received before the August 23, 2017 full task force meeting.
 - b. Michael Bentley to review the funding time-line for the new wellness foundation and how estimated expenses would affect the funds. George Hillow to work with Michael Bentley.
6. Katie indicated that an additional meeting would be scheduled as needed.
7. Meeting was adjourned at approximately 7:05 p.m.



Shannon Strachan, Secretary

August 30, 2017

Date

August 10, 2017 Meeting Minutes
Documents Attached

1. August 10, 2017 Meeting Agenda
2. Foundation Structure Spreadsheet

Lakewood Foundation Planning Taskforce
Sub-Committee Meeting re: structural options

August 10, 2017 6:00pm

1. Welcome
2. Review & discuss spreadsheet of basic structural options
3. Compile list of pros and cons for each
4. What hybrids might be available? Review IRS Pub 557 as needed
5. Would we like to suggest any presentations by Cleveland Foundation, Community West Foundation to the larger taskforce?
6. Assign tasks and next steps
7. Adjourn

| <u>Comparison of Fund Options</u> | <u>Private Foundation</u> | <u>Donor Advised Fund</u> | <u>Supporting Organization</u> |
|--|---|---|--|
| Legal Identity | Separate non-profit entity | Fund of the Cleveland Foundation or other community foundation | Separate non-profit entity affiliated with the Cleveland Foundation or other community foundation |
| Tax Status | Private Foundation | Public Charity | Public Charity |
| Taxation of Investment Income | 2% annually | None | None |
| Payout Requirements | Grants must equal minimum 5% of corpus annually | None | None |
| Deductibility of Gifts for Donors | 20% AGI for appreciated property; 30% AGI for cash | 30% AGI for appreciated property; 50% AGI for cash | 30% AGI for appreciated property; 50% AGI for cash |
| Administration | Detailed annual filing of 990 with IRS | All record keeping and accounting provided by Cleveland Foundation or other community foundation | All record keeping and accounting provided by Cleveland Foundation or other community foundation |
| Control | Trustees have complete control of distributions and responsibility for asset management | Donor-Advisor(s) may make grant recommendations | Own board of trustees, majority of whom are appointed by the Cleveland Foundation or other community foundation |
| Costs | Legal, accounting and insurance fees; office space, staff and miscellaneous administrative expenses | No cost to establish. Annual fees assessed for (1) administration [90 bps \$25K-\$1million; 50 bps > \$1million] and (2) investment pool chosen | No cost to establish. Annual fees assessed for (1) administration [75 bps \$5million - \$7million; 50 bps > \$7million] and (2) investment pool chosen |
| Grantmaking Expertise | Professional staff, if any | Foundation staff assistance to review and monitor proposals | Foundation staff assistance to review and monitor proposals |