



FFTC SUPPORTING ORGANIZATIONS

Governed by their own boards and strengthened by FFTC grantmaking services, FFTC Supporting Organizations help individuals, businesses or nonprofits with complex needs meet their unique philanthropic goals.

Supporting organizations are discrete legal entities that offer relative autonomy and the favorable tax benefits of a public charity, while leveraging FFTC's grantmaking and endowment management expertise. They are formed as corporations or trusts which operate like subsidiaries of a corporation.

Foundation For The Carolinas can help donors establish and administer a Type I supporting organization with initial funding of at least \$2 million. The donor and FFTC collaborate to appoint a board, a majority of which must be appointed by FFTC, which is the supported organization.

This unique relationship with FFTC qualifies the supporting organization for treatment as a 501(c)(3) public charity by the IRS, allowing the donor's charitable contributions to qualify for more advantageous deductibility rules.

**Contact us today
for more information:**

Visit
220 North Tryon Street
Charlotte, NC 28202

Call
704.998.6412

Email
philanthropy@fftc.org

Learn more
www.fftc.org

Is a Supporting Organization Right For You?

An FFTC Supporting Organization is a qualified, tax-exempt public charity that allows you, your family or your business to partner with Foundation For The Carolinas to maximize the impact of grantmaking.

There are many advantages to choosing an FFTC Supporting Organization:

- ▶ Broad grantmaking possibilities with support from FFTC's expert staff
- ▶ Public charity tax deduction for contributions
- ▶ No annual payout requirement
- ▶ Significant tax advantages for gifts of closely held stock, real property and similar assets
- ▶ Governance and administrative support from FFTC staff
- ▶ Ability to convene a board and pay expenses
- ▶ Administrative oversight, including IRS-mandated tax returns handled by FFTC

The Right Choice for Gifts of Business Interests

FFTC Supporting Organizations are particularly good solutions for donors interested in contributing closely held business interests or real estate.

- ▶ Contributions to an FFTC Supporting Organization are generally deductible based on the fair market value of these assets as opposed to the donor's basis.
- ▶ Supporting organizations can also avoid excise taxes which apply to private foundations holding similar assets (e.g., for excess business holdings).

Information provided is general in nature. It is not intended to be, and should not be construed as, legal or tax advice. Foundation For The Carolinas does not provide legal or tax advice. Laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of this information.

Demonstrated Expertise

Foundation For The Carolinas manages a variety of supporting organizations, each with its own structure and purpose:

Carolina Thread Trail

Charlotte Mecklenburg Library Foundation

CMS Foundation

Crosland Foundation

Foundation for the Charlotte Jewish Community

Foundation for the Mint Museum

Greater Charlotte Cultural Trust

Queens University of Charlotte Endowment

Seymour Family Foundation

United Way Legacy Foundation

*Philanthropy is an art
that benefits everyone.
Come be inspired.*

**FOUNDATION FOR
THE CAROLINAS**



FFTC SUPPORTING ORGANIZATIONS

Charitable Vehicle	Type I Supporting Organization	Private Foundation
Donor Involvement	The governing board may include the donor and related persons, but the supported organization must appoint the majority of the board. The board approves all grants and investments.	The donor and related persons may serve on the governing board and they approve all grants and administration of the foundation.
Tax Status	Separately incorporated public charity under FFTC. Must apply to IRS for tax-exempt status.	Private charity, must apply to IRS for tax-exempt status.
Income Tax Deduction for Gifts		
Cash	Up to 60% of AGI.	Up to 30% of AGI.
Appreciated Publicly Traded Stock	Full fair market value deductible up to 30% of AGI or cost basis deductible up to 50% of AGI.	Full fair market value deductible up to 20% of AGI.
Appreciated Real Estate and Closely Held Business Interests	Full fair market value deductible up to 30% of AGI or cost basis deductible up to 50% of AGI.	Cost basis deductible up to 20% of AGI.
Grantmaking		
Minimum Payout Requirements	None.	Annual payment of at least 5% of net assets, with penalty tax on undistributed amounts.
Administrative Considerations		
Start Up Costs	Varies, but minimally several thousands of dollars for legal and accounting expenses and filing fees; often less than a private foundation when working with FFTC.	Varies, but minimally several thousands of dollars for legal and accounting expenses and filing fees (similar to corporate start-up).
Annual Costs	FFTC assesses annual administrative fees monthly based on the fair market value of the assets in the subsidiary foundation.	Can be costly, including administration, accounting and audit expenses.
Investments	The board directs investment strategy with access to FFTC's diverse and expertly managed investment options, or an outside manager can be utilized via the Investment Alliance Program.	Must establish, research and manage own investment vehicles, or hire an outside manager to do so.
Operations and Record Keeping	Provided or managed by FFTC.	Must establish, acquire and manage on its own.
Fiduciary Responsibility	FFTC works with subsidiary foundation board to fulfill fiduciary responsibilities.	Private foundation board has full fiduciary responsibilities.
Annual Requirements		
Annual Taxes	None.	Generally income tax exempt, but subject to excise tax of 1.39% of net investment income, including capital gains.

The Seymour Family Foundation

The Seymour Family Foundation was established in 2015 by Bill and Emmaday Seymour as a Type I supporting organization of Foundation For The Carolinas.



Bill Seymour

Critical to his decision to establish a supporting organization – as opposed to a private foundation or other philanthropic fund – was the fact that Bill wanted his business, Primax Properties, to be a major part of his current and future giving strategy. Bill's desire is that Primax continue on after his death in order to provide for the "family" of Primax employees and leverage its continued success for philanthropic impact.

The Type I supporting organization structure best accomplishes both objectives. The Seymour Family Foundation will be funded primarily with cash during Bill and Emmaday's lifetimes, but at maturity, Primax Properties will be owned by the Foundation, which will hold its nonvoting interests. This provides for the continuation of the business, led by the remaining members of the Primax leadership team, while the Seymour Family Foundation can use the net profits to fund worthy causes and organizations, in keeping with Bill and Emmaday's charitable goals.

