

Supporting Organization



This product is for people who:

- Want the feel and identity of their own charitable foundation, without the administrative burden.
- Like the idea of partnering with the Vermont Community Foundation for its philanthropic and administrative expertise.

Contact Us:

Jane Kimble
jkimble@vermontcf.org
802-388-3355 ext. 286

Overview

A supporting organization is a 501(c)(3) nonprofit organization recognized by the Internal Revenue Service as a public charity because of its close relationship with another public charity, in this case, the Vermont Community Foundation.

A supporting organization is a great alternative to a private foundation, primarily because you gain access to the Community Foundation's grantmaking and administrative expertise and other services. In addition, supporting organizations are not subject to many IRS restrictions that limit private foundations, including excise taxes on earnings, minimum distribution requirements, and more limited deductibility of charitable gifts.

With the broad support provided by the Community Foundation, you avoid the burdens of managing a foundation and are able to focus on making an impact with your philanthropy. Our grantmaking services include developing grant guidelines and managing proposal processes, to developing strategies and organizing nonprofit site visits.

Our staff possesses extensive knowledge about Vermont issues, trends, and the nonprofit community. We can convene gatherings with like-minded donors to consider collaborative approaches to philanthropy.

On the administrative side, we provide investment management services, record keeping, tax filing, grants processing, and meeting coordination. And you can choose one of our investment pools or retain your own investment manager. You also have the ability to name successors.

A small board of directors, which may include you (the donor), oversees all aspects and decisions of the supporting foundation. As part of the partnership, the majority of board members must be appointed by the Community Foundation.

A supporting organization can be a simple, rewarding, and cost-effective alternative for donors who have been thinking about a private foundation and like the idea of partnering with Vermont's expert in charitable giving. The minimum gift to establish a supporting organization is \$5 million, and supporting fees range from 1% to 2% annually of the fund's total assets.

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How a supporting organization works

- We work with you to establish a name and charitable focus for your supporting organization.
- You make a gift (through the Vermont Community Foundation) to establish your supporting organization. Your gift is tax deductible and can be made in the form of cash, appreciated securities, real estate, or other assets. You (and others) may make additional tax-deductible gifts to the supporting organization at any time in the future.
- The Vermont Community Foundation elects the majority of the supporting organization board of directors; you elect the rest, which can include yourself and members of your family (though not individuals who serve as paid advisors to you, i.e. your attorney or financial/tax advisor).
- Our professional staff works with you and the supporting organization board to develop a philanthropic strategy and plan. The board meets regularly to decide on funding that supports the causes and organizations you care about. The Vermont Community Foundation makes grants to charities in the name of the supporting organization.
- The board can choose to invest the supporting organization's assets in one of the Vermont Community Foundation's pooled funds or to retain an outside investment manager.
- We handle all the administrative details including gift and grant processing, grantee reporting and site visits, meetings, annual tax filings, quarterly financial statements, and Directors and Officers Liability Insurance.
- You can name your children, family members or others to succeed you as director, which allows the supporting organization's philanthropy to continue for generations.