

# SIGNATURE FUNDS

## *A Practical Alternative to a Private Foundation*

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Many people think the best option is to create a private foundation—a nonprofit corporation registered in the state and regulated by the IRS. For families considering this option, solid tax law and private foundation expertise is essential.

Now there is an option that offers most of the benefits of a private foundation plus greater flexibility, potentially higher tax savings, and customized services to support your family's charitable mission: Signature Funds.

### **THE MANY BENEFITS OF SIGNATURE FUNDS**

For families considering a charitable foundation of \$1 million or more, Signature Funds combine the name recognition of a private foundation with the privacy, flexibility, and tax advantages of a Donor Advised Fund.

#### ***Identity***

Your Signature Fund can be called a "Foundation," with the name of your choosing. Your grants will be identified as coming from, "The *Your Name* Foundation."

#### ***Customized Service***

Your foundation will have customized stationery and checks, with grants and grant correspondence processed at your request by The Minneapolis Foundation.

#### ***Family Involvement***

You can involve your children and others as a board of advisors and list them on your stationery.

#### ***No Tax Forms***

You won't need to prepare an IRS Form 990-PF—the detailed private foundation tax return that is required annually and published online.

A Signature Fund is an outstanding option for families that currently have a private foundation and find the public disclosures, administration, and required reports time-consuming and costly. We can assist in the process of converting your foundation to a Signature Fund—using the same name, if you choose—and taking the proper steps to terminate your private foundation's corporate status.

#### ***Expertise***

You will enjoy a high level of personal service from our staff of Philanthropic Advisors whose purpose is to help you accomplish your own charitable goals.

#### ***Grantmaking Flexibility***

You can make anonymous grants, set up scholarships without prior IRS approval, make grants anywhere in the U.S. and often, support qualified foreign charities.

#### ***Investment Options***

Your foundation's assets can be invested in a selection of portfolios to match your investment goals and grantmaking intentions, and the allocation can be changed annually.

#### ***Charitable Tax Advantage***

Depending on the kind of assets you use in establishing your foundation, including real estate, closely held stock, and other hard-to-value assets, a Signature Fund can provide the best charitable tax advantage.

*For questions about Signature Fund and whether it is the right option for your charitable giving, please contact one of our Philanthropic Advisors at 612.672.3878.*