

Establishing a Fund AT THE PITTSBURGH FOUNDATION



WHERE OUR DONORS'
GENEROSITY MEETS
CHARITABLE PURPOSE

The Henry C. and Belle Doyle McEldowney Fund was established in 1955 by the McEldowney sisters, Annabel Mathews and Hester Smith. They named the fund in honor of their mother and their father. Henry C. McEldowney was picked in 1902 by Andrew W. Mellon to run the Union Trust Co.

The sisters elected to create an unrestricted fund so that The Pittsburgh Foundation could use it wherever the needs were greatest. Although it was a relatively small fund at first, Mrs. Mathews, her sons and Mrs. Smith added to it over the years. When Hester Smith died in 1979 she left a bequest of \$6.2 million to the McEldowney Fund making it the largest fund at The Pittsburgh Foundation today. Pictured below are Hester, Robert and Annabel McEldowney.

Grantee: **The Pittsburgh Promise** Students at Pittsburgh Public Schools, including the School for Creative and Performing Arts (CAPA), can earn a scholarship to continue their education with The Pittsburgh Promise. Broad based community initiatives like the Promise are supported by donor legacies like the McEldowney's.

HENRY C. AND BELLE DOYLE MCELLOWNEY FUND

Type of Fund:
Unrestricted
Date Established:
December 21, 1955
Total Gifts (1955–1975):
\$4,142,833
Bequest (1979):
\$6,206,324
Market Value (2010):
\$31,395,652
Grants to Date:
422 totaling \$25,168,725



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WHAT IS THE PITTSBURGH FOUNDATION?

For more than 60 years, The Pittsburgh Foundation has worked to improve the quality of life in the region by evaluating and addressing community issues, promoting charitable giving and connecting our generous donors to the critical needs of our community.

As a community foundation and tax-exempt public charity, The Pittsburgh Foundation makes it possible for a wide range of people to create permanent, named endowment funds to provide lasting support for charitable organizations in Pittsburgh and throughout the United States.

Community foundations invest and administer a pool of funds established by individuals, families, businesses and organizations.

One of our region's greatest assets is our philanthropic tradition. Nowhere is this better demonstrated than in the proud history of The Pittsburgh Foundation. Since 1945, over 1,500 funds have been established at the Foundation. These funds represent individuals from all walks of life who share a passion for giving and a deep commitment to making this community better—today and in the future.

As a donor at The Pittsburgh Foundation, you become an important component of the rich history of charitable giving in Western Pennsylvania.

Our professional staff can assist you and your professional advisors at no charge and help to create a plan that fulfills your philanthropic and financial goals. Whether it's supporting a favorite charitable program or teaching children about philanthropy while providing additional retirement income, we can help determine your best options.

An endowment fund at The Pittsburgh Foundation—established during your lifetime or through a bequest or other planned gift—ensures community engagement, grantmaking and a legacy of good will.

There are many reasons for creating a fund at The Pittsburgh Foundation. The motivation of each donor is different, but the outcome is the same. Our donors continue the legacy of generosity and caring that are hallmarks of our community.

WHAT ARE YOUR REASONS FOR GIVING?

There are many reasons for creating a fund at The Pittsburgh Foundation. The motivation of each donor is different, but the outcome is the same. Our donors make tremendous contributions to the community and make Pittsburgh a better place for all of us.

Creating a Family Legacy. Named funds at The Pittsburgh Foundation exist in perpetuity, creating a lasting legacy for donors and their families. These funds are a wonderful means to give back to the community in a way that is significant and permanent.

Secure Financial Investment. With more than 60 years of experience as a steward of charitable gifts for the community, The Pittsburgh Foundation has set a standard for community foundations across the country.

Tax Benefits. Because we are a community foundation and a public charity, you will receive the maximum tax benefits permitted by law. You can deduct gifts of cash at 50 percent of your adjusted gross income, and gifts of appreciated property at 30 percent of your adjusted gross income. If you are not able to take the entire deduction in the year of your gift, you have a five-year carry forward, which will allow you to maximize your income tax deduction over time.

Making a Gift Now or in the Future. Many funds are established during a donor's lifetime to provide them with an opportunity to participate in their grantmaking. Other funds are established by bequest or some other method of planned giving. Either way, donors have the help of our experienced staff to set up and administer their funds, manage their successful growth and ensure that their charitable objectives are met.

Low Fees. There is no fee to establish a fund at The Pittsburgh Foundation. The annual administration and investment management fees are competitive with industry standards of both community foundations and commercial gift funds.

Flexibility. Donors with a wide range of interests can achieve their specific charitable objectives by choosing from seven different fund types at the Foundation. Fund options range from a Donor Advised Fund, requiring a minimum of \$10,000, to a supporting organization, requiring a minimum of \$2 million.

Ease of Administration. By handling all the reporting, audits and necessary paperwork, The Pittsburgh Foundation provides donors with the opportunity to focus on the true joys of philanthropy.

Personalized Services. Each donor is assigned to a Donor Services representative who serves as their personal liaison at the Foundation, answering questions and providing customized service based on the needs and interests of the donor.

Strategic Investment in Our Community. The Pittsburgh Foundation was established as a permanent trust for the Pittsburgh community. By investing charitable dollars with The Pittsburgh Foundation, donors can be assured that the charities and causes they care about most receive the support they need—now and in the future.

Additionally, donor impact in our community is strengthened significantly when they join with the Foundation and other members of our donor family to help fund critical needs.

JOE AND CAROL MASSARO FUND

Joe and Carol Massaro could have chosen to create their own private family foundation. Instead, in 2004 they decided to establish an advised fund at The Pittsburgh Foundation, initially with \$25,000. They continued to add to their fund and today it is valued at \$462,000 and has awarded over \$1 million in grants. The couple grants to many charitable organizations in Pittsburgh, for some of which they serve with their children on the boards, including Youthworks, Little Sisters of the Poor, City Theatre Company, Neighborhood Academy and Oakland Catholic High School.

"We could have had our own foundation and we thought about that for about five seconds," said Joe. "The Pittsburgh Foundation does everything the way it's supposed to be done. I feel very comfortable having the Foundation handle our interests. It's been a wonderful experience for us and the kids."



WHAT ARE YOUR OBJECTIVES?

TYPES OF FUNDS AT THE PITTSBURGH FOUNDATION

All funds at The Pittsburgh Foundation are customized to meet the donor's charitable intent. With ease and flexibility, you can achieve your philanthropic goals through a variety of fund options.

Donor Advised Funds allow the donor to recommend grants to specific organizations. This type of fund can support any nonprofit organization in the United States and other parts of the world, provided they are a bona fide nonprofit organization. Grants are subject to approval by The Pittsburgh Foundation's Board of Directors. The original donor may determine what the purpose of the fund will be after the donor's death, or may appoint future advisors (successor advisors) who will advise on its distribution annually.

Scholarship Funds at The Pittsburgh Foundation benefit students throughout the United States. Most frequently, donors establish funds that assist high school seniors seeking post-secondary education. There are, however, funds that focus on college, graduate or technical school students who are pursuing specific areas of interest, as well as for elementary school children. Donors may choose the type of assistance they would like to provide, whether to help pay tuition or purchase school-related items such as books and computers.

Designated Funds allow the donor to specify eligible organization(s) to receive annual grants, as long as the organization is a tax-exempt nonprofit organization. This is a commitment to one or more specific organizations. Should the organization(s) cease to exist after the donor's death, the Foundation will honor the donor's original intent by making grants to an existing organization with the same mission or purpose.

Field of Interest Funds provide grants within the donor's areas of interest. This type of fund allows donors to support a broad area of concerns. For example, a donor may be interested in having the fund address grantmaking that benefits children, the arts or the elderly. Specific charities would not be named, but all grants from the fund would be directed toward programs that address the field of the donor's interest within Allegheny County, unless otherwise specified.

Family Foundation Funds at the Pittsburgh Foundation are an excellent resource for individuals with private foundations or those considering creating their own private foundation by offering ways to ease administrative overhead, enhance programmatic expertise, or explore legacy and succession planning.

For individuals concerned about the future of their private foundation, legacy and succession planning may be accomplished by transferring remaining assets into one or more funds such as a Family Foundation Fund at The Pittsburgh Foundation. We work with donors to craft guidelines that capture their philanthropic intentions, or establish individual funds for heirs to carry out their interests.



CHARLES E. KAUFMAN AND VIRGINIA KAUFMAN FUND

Type of Fund: Donor Advised
Date Established: December, 1984
Initial Gift: \$100,000
Market Value (2010): \$3,400,000
Grants to Date: \$375,000

CHARLES E. KAUFMAN FOUNDATION

Type of Fund: Supporting Organization
Date Established: December, 2005
Initial Gift: \$2,000,000
Bequest (2010): \$40,000,000
Grants to Date: \$150,000



Grantee: RiverQuest
 RiverQuest helps children experience science hands-on with an abundance of projects around our local rivers. Educational opportunities such as these are made possible in part by donors like Charles Kaufman.

Charles Kaufman died in September, 2010 shortly after his 97th birthday, leaving his estate of approximately \$50 million to two separate funds he previously established at the Foundation. His gift—amassed largely during his retirement through investment and entrepreneurial ventures—is one of the largest-ever bequests to the Foundation.

His late sister Virginia once described him as “an ordinary man.” He was not born into wealth, he worked as a chemical engineer, and after his retirement in the 1970s he turned to his self-developed talents for investment and entrepreneurship to help support his charitable initiatives.

Mr. Kaufman was passionate about public education, land

conservation and Jewish health-care, including programs for the elderly, and in 1984 he and his sister established a donor advised fund at The Pittsburgh Foundation with \$100,000. Since then, the fund has grown to \$3.4 million, and has made grants of nearly \$400,000 to local nonprofits, including The Pittsburgh Promise.

In 2005, Mr. Kaufman provided an additional \$1.5 million to create the Charles E. Kaufman Foundation as a supporting organization of The Pittsburgh Foundation, with managerial oversight provided by a seven-member Board of Directors. His goal was to create an award recognizing “substantial contributions to science for both the

betterment and understanding of human life.”

In 2008, when he presented the Fund's first award of \$50,000 to Terry Collins, Thomas Lord Professor of Chemistry at Carnegie Mellon University, for his pioneering research in green chemistry, Mr. Kaufman said: “This is my way to give back. I believe this research is going to make a big difference to our world.”

Following Mr. Kaufman's passing, his award Fund will receive between \$35 million and \$40 million from his estate over the next 12 months. The balance of his bequest to the Foundation will be received by his advised Fund, which now converts to a Field of Interest fund.

Unrestricted Grantmaking is charitable funding awarded by the Foundation and enables the organization to respond to community needs now and in the future. Under the Foundation's new strategic direction, key issues of environment, economics, and social equity have been integrated into three new funding guideline categories: Self Sufficient Individuals and Families, Healthy Communities, and A Vibrant Democracy.

Agency Endowment Funds are permanent endowments established by local non-profit organizations and their donors to provide ongoing support for the organization's programs.

Medical Research Funds are permanent endowments established by donors to support investigation into the cause and cure of a variety of diseases.

Grantee: Focus on Renewal

Unrestricted grantmaking supports organizations that respond to community needs. Focus on Renewal works to build a healthier community in the McKees Rocks area.



RAYMOND R. AND EDNA GIES ARTZ FUND

Date Established:
July 1, 1977
Initial Gift:
\$808,659
Additional Gifts from Trusts (1997):
\$1,342,343
Additional Gifts from Trusts (2007):
\$677,510
Market Value (2010):
\$5,023,832
Grants to Date:
101 totaling \$4,125,012



Raymond Artz was born in 1892. During his life he was an executive at Vanadium Steel Corp in Latrobe, Westmoreland County, was a member of the Eastminster Presbyterian Church and the Pittsburgh Athletic Association. He served as an ensign during World War I, and was a professional basketball player during the 1920s in the Central League of Western Pennsylvania. He was also a batboy for the Pittsburgh Pirates during the 1909 World Series. Through a bequest to The Pittsburgh Foundation, Mr. Artz established the Raymond R. and Edna Gies Artz Fund for the care of the aged, to benefit orphans and neglected, under-privileged and dependent children.

In his will Mr. Artz also made provisions to support those that he cared about using Charitable Remainder Trusts which provided an income to both his wife and son during their lifetimes. After the passing of his wife and son the remainder of both trusts went into the Raymond R. and Edna Gies Artz Fund ensuring that the fund was to continue to grow.

Type I Supporting Organizations are an option for philanthropists making initial gifts of \$2 million and higher. More and more, trustees of private foundations are realizing that The Pittsburgh Foundation offers an alternative with distinct advantages:

- No onerous, expensive "back office" and administrative responsibilities;
- No requisite 5 percent annual payout;
- Increased charitable deductibility relative to your adjusted gross income;
- Expert assistance in engaging and educating your children and grandchildren in philanthropy;
- Ability to retain your fund's name and its own 501(c)(3) designation;
- No tax on investment income;
- Significant tax advantages for gifts of closely held stock, real property and similar assets.

Grantee: Squirrel Hill Health Center

Mr. Artz continues to provide care for the aged today with support of programs such as the Squirrel Hill Health Center.



WHAT DONOR SERVICES ARE OFFERED THROUGH THE PITTSBURGH FOUNDATION?

The Pittsburgh Foundation is dedicated to providing comprehensive services to donors. Donor Services representatives can help you fulfill your philanthropic goals, provide personal services and connect you to the Foundation's program, financial and development expertise. Some of our personalized services include:

Donor Resources. Through educational events and site visits, donors can learn more about the needs of the community and the organizations providing services. The Wish Book offers another opportunity to connect donors with participating local nonprofit agencies. Published each year, the Wish Book provides donors with a unique opportunity to make a difference by purchasing tangible items of \$2,500 or less that are much needed by nonprofit organizations.

Access to Grantmaking Expertise. Our professional grantmaking staff members are available to share their knowledge of community needs and to help donors decide where to invest their charitable dollars to achieve the greatest impact. We also offer site visits to area nonprofit organizations that are of interest to donors.

Quarterly Investment Reports. The Foundation provides each donor with updated quarterly investment reports and more in-depth financial information as needed. Our financial staff is happy to help you examine, in detail, the status of your fund and to discuss current market performance and trends.

On-line Services. Donor Central is the Foundation's on-line service, an exclusive benefit for our donors. By clicking on Donor Central on the Foundation website (www.pittsburghfoundation.org), and logging on with a Foundation-provided password, a donor may:

- Determine the current quarterly market value of the fund and the amount remaining for grantmaking;
- Make on-line grant recommendations from their fund: Donors receive an e-mail confirmation that the recommendation was received by the Foundation;
- Research prior grants from their fund, thereby aiding the grant recommendation process if a donor wishes to make grants to the same organizations annually; and
- Receive a current fund status report, which details the financials of the fund sent to them via e-mail.

The Pittsburgh Foundation is pleased to provide each donor with highly personalized service suited to the particular needs of the individual, family or agency.

Once you've established a fund, your Donor Services representative will be available to provide you with all the information you may need. Additionally, on-line giving and research of local nonprofits is available via the Foundation's PittsburghGives program at www.pittsburghgives.org. Some of the most frequently asked questions include:

Is there a minimum grant size?

We can process grants of \$200 or more.

When can I start making grants?

You can start making grants immediately provided there are funds available in your grantmaking account.

What types of organizations/programs may I grant to?

You may grant to any nonprofit organization in the United States with a 501(c)(3) tax status or to foreign organizations with nonprofit equivalency. Most nonprofit organizations have this status. Our Grants Administration Department will determine the tax status of any potential grantee.

How often are grant checks mailed?

Grant checks are mailed weekly.

May I grant outside Allegheny County?

Yes. You may grant to any nonprofit organization in the United States, or to any organization that has an affiliate in the United States.

I would like to build up my fund's endowment. Is there a minimum that I must add at any one time? May I add to the fund any time I wish?

You and others may add any amount to your fund, as often as, and whenever, you wish.

If I decide to make a stock gift, should I let my Donor Services representative know before I make the gift?

Yes. In order to ensure that your gift is properly credited to your fund, please call your representative before making the transfer. Your representative can assist you with the process.

May I add money to my grantmaking amount if I wish to grant more money than is available in anyone year?

You may add to your grantmaking account or to the principal of your fund at any time. Please indicate whether you want the gift credited to grantmaking or principal.

HOW YOU MAY GIVE

ASSET TYPES USED TO ESTABLISH FUNDS

There are many ways to make a charitable gift through The Pittsburgh Foundation. The Foundation is a trusted resource for donors and their professional advisors as they search for ways to give back to the community, while seeking maximum tax advantages.

It is important to consider all the financial and tax implications of creating a fund. We are available, at no charge, to help you and your professional advisors create a plan that achieves your philanthropic, financial and estate planning goals.

Funds at The Pittsburgh Foundation can be established with gifts of cash, appreciated stock, closely held stock, real estate or the transfer of a private foundation.

Planned gifts can also be made to create a fund utilizing cash, appreciated stock, closely held stock, real estate, the transfer of a private foundation, retirement fund assets or life insurance.

Here is a closer look at the assets that can be used to create a fund and some of the advantages of giving.

Cash. Gifts of cash are an easy, quick and convenient way to create a fund at The Pittsburgh Foundation. Gifts of cash provide an immediate income tax deduction.

Appreciated Stock. Gifts of appreciated stock provide two tax benefits: a charitable deduction for the full fair market value of the property, plus avoidance of the capital gains tax that would have been paid had the stock been sold. As a result, publicly traded securities are the most common form of non-cash charitable gifts.

Closely Held Stock. Gifts of closely held stock provide the same double tax benefits of publicly traded stock. Gifts of closely held "C" corporations, "S" corporations, partnership interests and limited liability companies are accepted by The Pittsburgh Foundation, but must be evaluated on a case-by-case basis. All such gifts must be valued by a qualified appraiser, at the donor's expense, prior to the transfer.

Real Estate. All gifts of real estate are evaluated by the Foundation on a case-by-case basis. Donors can contribute real estate or a partial interest in real estate to the Foundation. To meet the requirements of the Foundation, a gift of real estate must have a net value of at least

HAZEL MALTER FUND

Type of Fund:

Field of Interest

Date Established:

December 16, 2010

Total Gifts:

\$15,000

Bequest:

\$15,000

Market Value (2010):

\$15,000

Grants to Date:

None



A native Pittsburgher, **Hazel Malter** had a career with the Social Security Administration including a position as a Field Representative in the East Liberty office. During her career, Miss Malter received several "Outstanding Public Service" awards. She was a member of the Shadyside Hospital Auxiliary since 1956 and served as its President from 1986-1991.

Miss Malter was also devoted to animals during her lifetime. Through a bequest in her will, abandoned, injured and sick pets receive the care they need today and in the future through her fund at The Pittsburgh Foundation.

\$250,000, be marketable within six months after being gifted to the Foundation and be free of mortgages, liens or other encumbrances. Another option is to contribute real estate and retain the right to live in the property during your lifetime.

Transfer of a Private Foundation. A donor advised fund, Family Foundation Fund or supporting organization provides donors with all the benefits of a private foundation, without the burdensome administrative responsibilities [see chart, page 20]. For this reason, many donors choose to transfer their private foundations to The Pittsburgh Foundation. No additional tax deduction can be taken on the assets previously held in a private foundation, but additional gifts receive enhanced tax deductions available through community foundations, which are public charities. In addition, lower fees, fewer associated expenses and the elimination of investment excise taxes result in additional assets available for grantmaking.

ARE THERE OTHER WAYS TO GIVE?

PLANNED GIVING VEHICLES

A planned gift with The Pittsburgh Foundation establishes a fund upon your death that will carry out your charitable intentions in perpetuity.

Planned gifts of cash, appreciated stock, closely held stock, real estate, the transfer of a private foundation, retirement fund assets or life insurance can be used to create a fund through a bequest, or through a charitable vehicle providing income to individuals for a specific time. All planned gifts afford you a charitable tax deduction, and some can be used to create an income stream for you and/or other individuals.

Bequest. The most common form of a planned gift, a bequest, is a gift that you make to The Pittsburgh Foundation in your will. You can create a fund at your death by designating a dollar amount, a percentage of your estate or the remainder (residue) to be distributed to the Foundation. In a Memorandum of Understanding with The Pittsburgh Foundation, you can state the charitable purposes of your fund, which will be carried out by the Foundation in perpetuity.

Charitable Gift Annuity. A charitable gift annuity is a contract between you and the Foundation in which The Pittsburgh Foundation is obligated to make periodic payments to you as provided in the gift annuity agreement. The payment you will receive depends on the amount of your gift and your age. If you are younger than 60 years old, you can create a deferred charitable gift annuity. You will receive a charitable deduction in the year that you establish the charitable gift annuity. A five-year carry forward is also available. At your death, if there is a remainder of \$10,000, a fund at The Pittsburgh Foundation can be established to carry out your charitable intentions.

Charitable Remainder Trust (Annuity or Unitrust). You can establish a charitable trust in which you and/or others retain the right to receive income for life, or a period of years, with the remainder to be distributed to The Pittsburgh Foundation. This trust is most valuable when funded with appreciated property, because the sale of appreciated assets held in the trust is not subject to capital gains tax. You will receive a current charitable income tax deduction for the year in which the trust is established. With an annuity trust, you will receive a fixed payment based on the initial value of the trust. With a unitrust, you will receive payment based on the fair market value of the trust, as calculated on an annual basis.

Charitable Lead Trust. A charitable lead trust is a transfer of cash or property into a trust. You give the Foundation the “lead” interest for a term of years, or for the life of an individual. The Foundation will receive a predetermined annual distribution based on the value of the trust at the time it is created. At the termination of the trust, the remaining assets will be distributed to those individuals chosen by you at the time the trust was created. While there are generally no income tax benefits for creating a charitable lead trust, gift or estate tax is paid only on the discounted remainder interest.

FISHER FUND

Type of Fund:
Donor Advised
Date Established:
December 28, 1982
Initial Gift:
\$4,696,191
Market Value (2010):
\$17,513,576
Grants to Date:
249 totaling \$17,153,712



The Fisher Fund was established by the Fisher Charitable Trust in 1982 after Fisher Scientific Corporation was purchased by Allied Corporation. Founded by **Chester G. Fisher** (above) in 1902 Fisher was a family controlled company that in 1981 found itself part of a trend that would dominate America’s business in the 1980s: the takeover. The final restructuring in 1991 returned the company to a stand alone business with all of its stock publically traded as Fisher Scientific International.

When Allied acquired it, Fisher Scientific had become a formidable force in a mundane business on the strength of its marketing savvy. Its catalogue of test tubes, crucibles and Bunsen burners had the reputation for sturdy goods and dependable service among scientific laboratories as Sears Roebuck’s catalogue did among homeowners in the nations’ heartland. Fisher sales were primarily commercial and academic laboratories including chemistry labs in high schools across the United States.

LOIS TACK THOMPSON FUND

Type of Fund:
Field of Interest > Unrestricted
Date Established:
December 20, 1984
Initial Gift:
\$100,000
Bequest (1991):
\$15,000,000
Additional Bequests:
\$2,900,000
Market Value (2010):
\$22,991,099
Grants to Date:
186 totaling \$19,012,331



Grantee: **Pittsburgh Cultural Trust**
The transformation of a run-down Downtown red light district to a vibrant cultural center was made possible by the collective effort of donors like Lois Tack Thompson.

“Although she kept a low profile, she believed in community service and commitment,” a good friend said of **Lois Thompson**. Though born into wealth, she lived conservatively and managed her resources with care. A very private person, she spent her time with close friends and in quiet charitable pursuits. She loved all animals and her dogs were her constant concern and delight. Her father, Harry S. Tack was president of American Oil Development Company. Lois lived in the Tack family home in Sewickley. She later moved to Pittsburgh, with her husband, Donald, who was a manufacturer’s representative. Later they moved back to Sewickley and spent winters in Key Largo, Florida. For the last twenty years of her life, she was a widow.

Always dignified and elegant, she took a no nonsense approach to her charitable giving. She first established a small fund with the Foundation for two specific purposes. She wanted to help groups that provided services to the blind and institutions serving unwanted animals. Upon her death, Ms. Thompson left an additional bequest of \$15 million to The Pittsburgh Foundation. Part of the Lois Tack Thompson Fund continues to help the blind and unwanted animals, and the rest remains flexible so that The Pittsburgh Foundation can respond to the most pressing needs in the community.

Life Insurance. There are many ways that you can contribute life insurance policy proceeds to the Foundation, including:

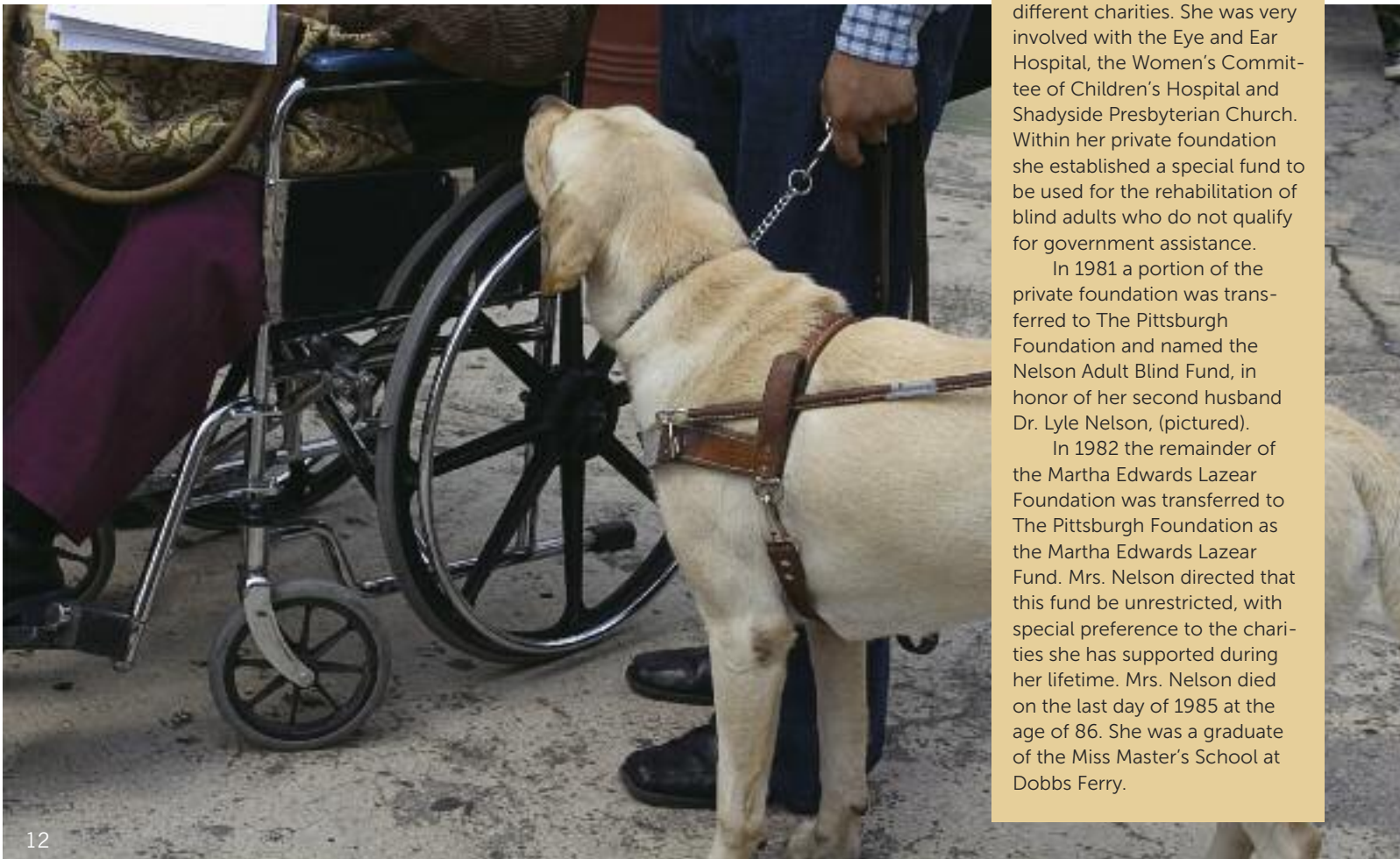
- Naming The Pittsburgh Foundation as primary beneficiary of a policy that you own to receive all or part of the proceeds;
- Purchasing a new policy and transferring the ownership of the policy to The Pittsburgh Foundation;
- Making a gift of a paid-up policy to The Pittsburgh Foundation and transferring ownership; or
- Giving a policy to The Pittsburgh Foundation on which you will continue to pay the premium.

Since the tax benefits vary with respect to each of these examples, please contact The Pittsburgh Foundation for additional information specific to your situation.

Retirement Fund Assets. You can designate The Pittsburgh Foundation to receive all or a portion of your qualified retirement assets by naming the Foundation in a beneficiary designation form. Since retirement assets are subject to both inheritance tax and income tax, it is often the best asset to leave to a charitable organization. An individual you select to receive your retirement assets may receive as little as 30 percent after taxes. The Foundation, however, would receive 100 percent.

The common thread among those who have established endowment funds is a sense of giving back to their community. These individuals share a sense of pride in their community and a desire to support others.

Grantee: **Blind and Vision Rehabilitation Services of Western Pennsylvania**
Martha Edwards Lazear continues to honor her husband, Dr. Lyle Nelson, through her support for organizations like Blind and Vision Rehabilitation Services of Western Pennsylvania.



MARTHA EDWARDS LAZEAR FUND

Type of Fund:
Donor Advised > Unrestricted
Date Established:
July 25, 1982
Initial Gift:
\$1,108,764
Market Value (2010):
\$4,321,540
Grants to Date:
105 totaling \$4,815,566



In 1957 **Martha Edwards Lazear** established a private foundation after the death of her first husband, which over the years gave away \$2.5 million to about 100 different charities. She was very involved with the Eye and Ear Hospital, the Women's Committee of Children's Hospital and Shadyside Presbyterian Church. Within her private foundation she established a special fund to be used for the rehabilitation of blind adults who do not qualify for government assistance.

In 1981 a portion of the private foundation was transferred to The Pittsburgh Foundation and named the Nelson Adult Blind Fund, in honor of her second husband Dr. Lyle Nelson, (pictured).

In 1982 the remainder of the Martha Edwards Lazear Foundation was transferred to The Pittsburgh Foundation as the Martha Edwards Lazear Fund. Mrs. Nelson directed that this fund be unrestricted, with special preference to the charities she has supported during her lifetime. Mrs. Nelson died on the last day of 1985 at the age of 86. She was a graduate of the Miss Master's School at Dobbs Ferry.

Oct 28, 2009

Dear PGH Foundation,

The kids of pub. Jr. made \$145.81 by selling hot cocoa

We want to give money to the carnegie library of PGH. We hope all the libraries stay OPEN.

Sincerely,

Delia Bell and Ely Baraff for Prettyup Beechview Jr.

QUENTIN AND EVELYN CUNNINGHAM FUND

Quentin and Evelyn Cunningham could have chosen to create their own private family foundation. Instead, following the passing of Evelyn Cunningham in 2009, four years after her husband, the couple made a \$10 million gift to The Pittsburgh Foundation via their estate to create four separate funds including a scholarship fund. Today, their funds are together valued at \$10,231,454 and already they have awarded grants and scholarships totaling \$275,567 to charitable organizations, including Carnegie Library of Pittsburgh, Western Pennsylvania Conservancy and the Historical Society of Western Pennsylvania.

Grantee: **Carnegie Library of Pittsburgh**

A special Carnegie Library of Pittsburgh fundraising match event raised \$300,000 through PittsburghGives in 2009 thanks to matching funds provided by the Quentin and Evelyn Cunningham Fund.

WHAT ARE FAMILY FOUNDATION FUNDS AT THE PITTSBURGH FOUNDATION?

The Pittsburgh Foundation often hears from individuals and families who currently operate a private foundation or those considering starting one. For many, the administrative burden becomes arduous and expensive and questions arise regarding the future of the private foundation.

The Pittsburgh Foundation is an excellent resource for individuals with private foundations or those considering creating their own private foundation by offering ways to ease administrative overhead, enhance programmatic expertise, or explore legacy and succession planning.

For individuals concerned about the future of their private foundation, legacy and succession planning may be accomplished by transferring remaining assets into one or more funds such as a Family Foundation Fund at The Pittsburgh Foundation. We work with donors to craft guidelines that capture their philanthropic intentions, or establish individual funds for heirs to carry out their interests.

ROBERT M. THOMPSON, JR. FAMILY FUND

The Robert M. Thompson Jr. Family Fund was created in the Fall of 2010, transferring assets from his private foundation to The Pittsburgh Foundation. His new Family Foundation Fund at The Pittsburgh Foundation is in support of science education K-12 initiatives. "I wanted my children to remain involved in charitable giving. I realized that unless I was careful, I could potentially lose the legacy that I had created."

Rob Thompson has fond memories of his grandparents and their passion for science. Both science teachers, his grandmother would often take him as a child, growing up in Forest Hills, to the Buhl Planetarium in Pittsburgh on the weekends where he would marvel at the scientific universe.

Commonly Asked Questions and Benefits Regarding Family Foundation Funds

Following are some commonly asked questions and benefits regarding the differences between a private foundation and a Family Foundation Fund at The Pittsburgh Foundation.

If I choose to transfer my private foundation to The Pittsburgh Foundation, what are my options?

The Pittsburgh Foundation offers several fund choices including a Family Foundation Fund. Through this fund type, you maintain the advisory capacity over grantmaking, name identity, and, if you choose, anonymity. We assume responsibility for all administrative tasks including accounting, grant application due diligence, grants follow-up, and IRS reporting.

How are fund names selected?

The choice is yours. Some examples are The John and Jane Miller Family Foundation Fund, The Jones Charitable Trust, The Smith Philanthropic Fund, but we have seen all kinds of variations.

Will my family members be involved?

The donor establisher determines the advisory board and how/if successors are chosen.

I prefer that my Foundation information remain confidential. Is this possible through The Pittsburgh Foundation?

The Pittsburgh Foundation provides anonymity for all funds. Grantmaking through your fund can be anonymous (or selectively anonymous). On the other hand, private foundations require disclosure and their information is freely accessible on websites such as www.guidestar.org where members of the general public can review your tax returns (990PF), to whom you grant, your board and foundation assets.

Must I follow the private foundation 5% mandatory payout?

No. There is no minimum payout requirement with a Family Foundation Fund at The Pittsburgh Foundation.

More favorable tax consequences.

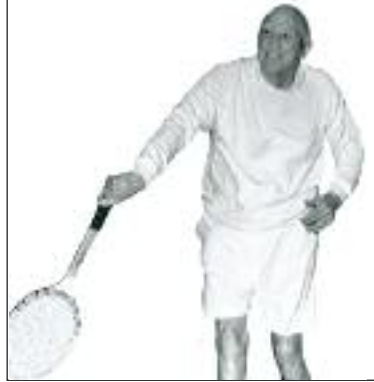
All new contributions to a Family Foundation Fund at The Pittsburgh Foundation would increase your philanthropic deductibility relative to your AGI [50 percent of Adjusted Gross Income (AGI) versus 30 percent for a private foundation; and up to 30 percent AGI on long-term appreciated property (20 percent for a private foundation)].

No excise tax.

A private foundation requires you to pay 1 to 2 percent excise tax on the foundation's investment income. Pittsburgh Foundation Funds are not subject to excise tax.

FRANK S. McCLINTOCK FUND

Type of Fund:
Unrestricted
Date Established:
May 31, 1989
Initial Gift:
\$2,516,408
Market Value (2010):
\$4,646,114
Grants to Date:
62 totaling \$4,072,998



Frank McClintock was remembered by his friends as an avid golfer and tennis enthusiast who continued to play well into his eighties. After graduating Phi Beta Kappa from Yale University, he worked as an engineer at Dravo Corporation. Mr. McClintock died in 1981 at the age of 93. In his will he made careful provision for his family and friends. He set up a trust to provide lifetime income for all of them. In 1990 the last remaining beneficiary passed away. The trust, which had grown to \$3 million was turned over to The Pittsburgh Foundation. His instructions were for the income from the fund to be used each year wherever the current needs are most pressing.

After his passing, a friend of Mr. McClintock's from the tennis court wrote a letter to the foundation. His friend wrote, "Even at the age of 77 and beyond he almost never failed to return the ball and made few if any errors. He knew instinctively where to position himself on the court. He hit mostly high top spin drives which usually dropped at the feet of his opponents at about the baseline—he "handcuffed" us. He ran for every ball and he kept the ball in play until his younger opponents blew a shot."

MELISSA S. McKEE CARNAHAN TRUST

Type of Fund:
Unrestricted
Date Established:
February 19, 1980
Initial Gift:
\$1,385,888
Market Value (2010):
\$4,620,078
Grants to Date:
209 totaling \$5,888,321



William E. Carnahan, who died in 1939, created the Melissa S. McKee Carnahan Trust at Union Trust (Mellon Bank) providing Ella May Carnahan (sister) and Frederick C. McKee (nephew) could during their lifetimes direct some of the income to "alleviate distress of any of my blood relatives in the Schmertz and Carnahan families who may need financial assistance." After the deaths of both, income from this trust was to be used for "charitable, religious or educational organizations or institutions in the United States."

Relief of administrative responsibilities.

The Pittsburgh Foundation offers relief of the administrative responsibilities of managing your philanthropy. We would handle all of the requisite state and federal reporting, audits and filings. The Board of your private foundation, by contrast, is responsible for the above.

Can I keep my current investment manager?

Foundations with minimum balances of \$250,000 may elect to keep their current investment manager* or invest in the Foundation's Pittsburgh Legacy Fund.

What happens when I am no longer willing or able to serve on my Family Foundation?

Multiple options include naming successor advisors; crafting language that will describe your intentions for future generations; and/or selecting The Pittsburgh Foundation's content experts to handle your intentions.

Access to resources.

The Foundation offers a staff of knowledgeable and professional donor services staff and program officers who provide a very high level of professional expertise and personal service.

You and your family would be assigned a donor services officer who would be available to assist with any issues that may arise in the administration of your Fund including responding to grant inquiries, providing research on charities of interest, facilitating grant distributions, insuring grant follow-up, and providing quarterly fund status reports.

The program officers are available when requested to advise and assist in evaluating and selecting grantees. Additionally, we offer site visits to area nonprofit organizations that are of interest to donors, as well as educational events and lectures that enable donors to learn more about the needs and issues in the community.

The Pittsburgh Foundation can provide you and your family with an efficient and effective way to conduct your philanthropy, while allowing you the opportunity to focus your energies on the fulfillment of philanthropy.

Try us.

For a private foundation whose members would like to experience the benefits of a fund at The Pittsburgh Foundation, we offer the option to create a Donor Advised Fund. This allows private foundation members to 'test drive' the Foundation without making a termination election at the outset.

The conversion of a private foundation into a Family Foundation or other fund at The Pittsburgh Foundation is relatively simple, but should be done in consultation with an attorney.

* Donor suggested investment managers must receive approval from the Foundation's Investment Committee.

WHAT IS UNRESTRICTED GRANTMAKING?

Throughout its history, The Pittsburgh Foundation has sought to meet the changing needs of our region. This targeted approach to philanthropy allows, the Foundation to have a greater impact on our community and respond to pressing and significant needs in our Pittsburgh region.

Unrestricted Grantmaking is funding awarded to local nonprofits by the Foundation, provided for by generous gifts from our donors, and enables the Foundation to develop special initiatives, join with the community to respond to key challenges and work with local and regional entities to address critical issues. We actively seek innovative matches between our donors' philanthropic goals and our community's most pressing charitable needs.

As conditions inevitably change, so do the priorities established by the Foundation's Board of Directors which guide this grantmaking. Our new strategic direction integrates the key issues of environment, economics and social equity into three funding guideline categories: Self Sufficient Individuals and Families, Healthy Communities, and A Vibrant Democracy.

Approximately half of the grants made annually by the Foundation are made from donor directed funds—Donor Advised, Designated, Family Foundation, Field of Interest, Scholarship—which support areas specifically recommended by our donors. Unrestricted Grantmaking accounts for the other half of the Foundation's grantmaking.

You can help meet our communities' current and future needs by joining other donors that have made an unrestricted gift to the Foundation. By contributing a minimum of \$10,000, you can create a named fund which will grant in perpetuity in the fund's name. You also ensure that through our staff of experts, your gift will be directed to do the most good and have the most impact.

For a complete set of our Unrestricted Grantmaking Guidelines, please visit our website at www.pittsburghfoundation.org or contact us at (412) 391-5122.

WILLIAM K. FITCH FUND

Type of Fund:
Unrestricted
Date Established:
June 8, 1971
Initial Gift:
\$263,312
Market Value (2010):
\$7,927,507
Grants to Date:
279 totaling \$9,472,102

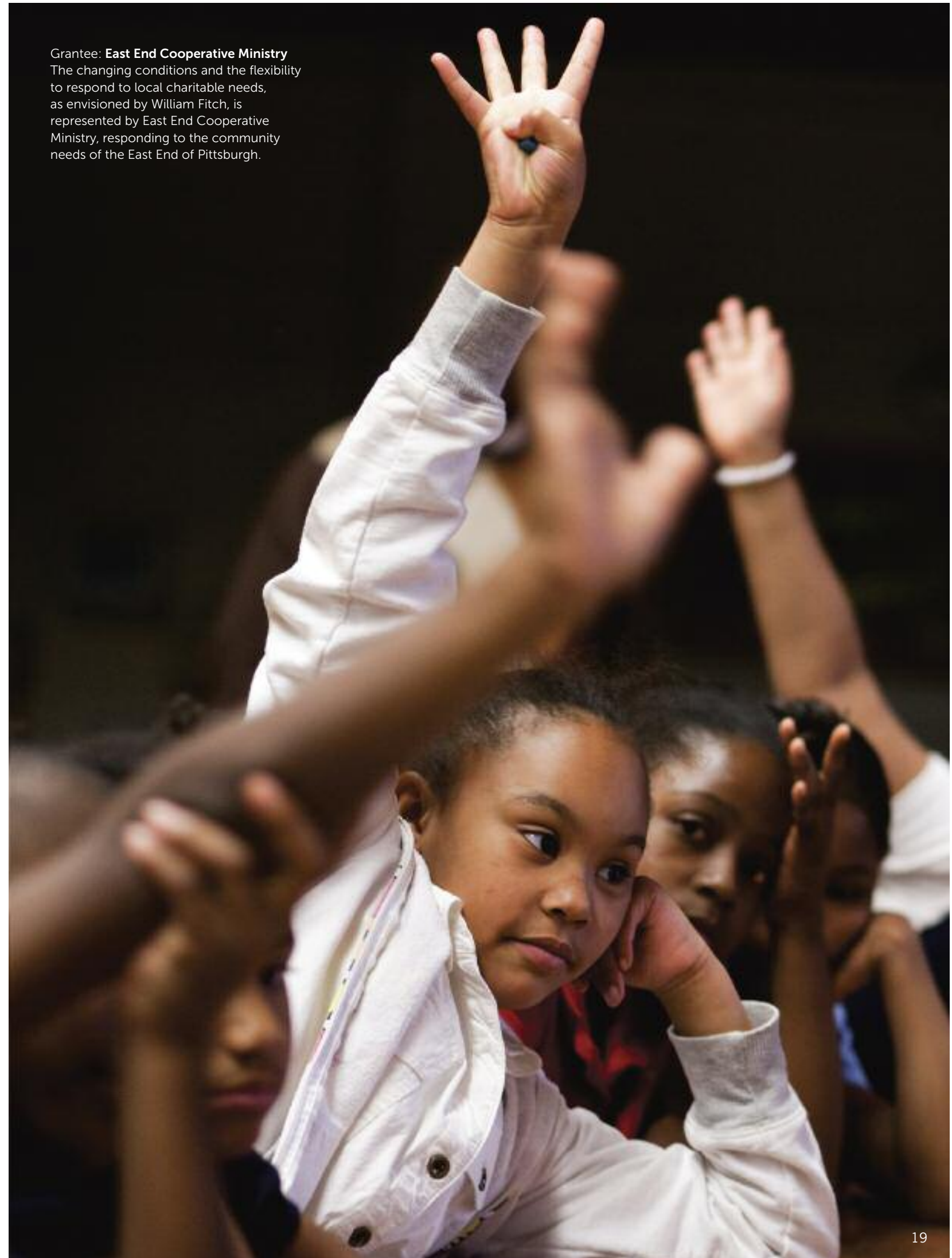


William Fitch was born in 1889. He received an academic degree from Yale University and an engineering degree from the University of Wisconsin. After graduation he began working for Dravo Corporation. For 46 years he gave his skill and ingenuity to this company serving as a sales engineer, district manager, vice president, director and finally chairman of the board.

In 1959 he retired from Dravo Corporation and his friends and colleagues wrote the following about him; "He never stopped selling the virtues of hard work, good physical condition, spiritual values, civic responsibility and honesty in all things. Mostly, though Bill believed in people. He looked for and found the best in others."

A lifetime bachelor, Mr. Fitch passed away at the age of 79. When he drew up his will establishing the William K. Fitch Fund, he specified that the use of the funds be unrestricted. "I realize that a great flexibility in distribution is necessary to take care of changing conditions" he wrote. Mr. Fitch also founded and endowed the William Henry Fitch Memorial Trusts in honor of his father to give scholarships to nurses and medical students. He also set up the Katherine Kountz Fitch Memorial in memory of his mother to train Cub Scout masters and explorer advisors in Allegheny County.

Grantee: **East End Cooperative Ministry**
The changing conditions and the flexibility to respond to local charitable needs, as envisioned by William Fitch, is represented by East End Cooperative Ministry, responding to the community needs of the East End of Pittsburgh.



DOLLARS AND SENSE: A COMPARISON

* The Pittsburgh Foundation

	Donor Advised Fund of The Pittsburgh Foundation	Commercially Affiliated Charitable Fund (CACF)	Family Foundation Fund of The Pittsburgh Foundation	Private Foundation
Minimum Endowment	\$10,000	Varies, \$5,000 to \$50,000	\$250,000	Council on Foundations estimates a private foundation is inefficient when less than \$5m
Administration Fees	<ul style="list-style-type: none"> • 1% DAF ≤ \$500,000 • .75% DAF \$500,001–\$1m • .70% DAF \$1m–\$2m • .65% DAF \$2m–\$5m • .60% DAF \$5m–\$10m • .50% DAF ≥ \$10m 	<ul style="list-style-type: none"> • Vary, 0.60 to 2.5% • May include mark-up for financial advisor 	<ul style="list-style-type: none"> • 1% FFF ≤ \$500,000 • .75% FFF \$500,001–\$1m • .70% FFF \$1m–\$2m • .65% FFF \$2m–\$5m • .60% FFF \$5m–\$10m • .50% FFF ≥ \$10m 	Vary
Investment Management Fees	.30% to .88% (based on investment portfolio selected)	Vary, 0.30 to 2.0%	.30% to .88% (based on investment portfolio selected)	Vary, based on investment management
Other Fees	No additional fees	No additional fees	No additional fees	<ul style="list-style-type: none"> • Recording keeping fees • Accounting fees • Tax and audit preparation
Excise Taxes	None	None	None	2% of net investment income annually
Valuation of Gifts	Fair market value	Fair market value	Fair market value	<ul style="list-style-type: none"> • Fair market value for publicly traded stock • Cost Basis for all other gifts, including closely held stock and real property
Tax Deduction Limits for Gifts of Cash	50%	50%	50%	30%
Tax Deduction Limits for Gifts of Stock or Real Property	30%	30%	30%	20%
Grantmaking	<ul style="list-style-type: none"> • Donor/Advisor recommends grants to any 501(c)(3) in U.S., approval required by TPF* Board • Grant checks cut weekly • Ability to distribute grants from principal • No minimum payout • Expertise of TPF staff available for consultation • Built in peer networking • Personal donor services representative • Informational sessions and activities on charitable organizations and issues 	<ul style="list-style-type: none"> • Donor/Advisor recommends grants, approval required by CACF trustees • No personal representative • Many require 5% minimum payout • No consultation 	<ul style="list-style-type: none"> • Donor/Advisor recommends grants to any 501(c)(3) in U.S., approval required by TPF* Board • Grant checks cut weekly • Ability to distribute grants from principal • No minimum payout • Expertise of TPF staff available for consultation • Built in peer networking • Personal donor services representative • Informational sessions and activities on charitable organizations and issues • Donor may recommend investment manager (subject to approval by investment committee) 	<ul style="list-style-type: none"> • Donor appoints board, which controls grantmaking • Restrictions of scholarship and research grants • 5% minimum payout • Grantmaking services fee based • Donor education fee based
Future Purpose / Legacy Planning	Donors may determine future purpose in the fund agreement naming individual charities to receive annual grants in perpetuity, or donor may name areas of interest and TPF Program staff will award grants in named areas.	<ul style="list-style-type: none"> • Fund is split between named successors. • If minimum is not achieved, remaining balance must be granted out in 90 days or fund balance will be added to unrestricted charitable gift pool directed by CACF trustees. 	Donors may determine future purpose in the fund agreement naming individual charities to receive annual grants in perpetuity, or donor may name areas of interest and TPF Program staff will award grants in named areas.	Family involvement in perpetuity, no restrictions



Grantee: **The Sprout Fund**
 The Pittsburgh Foundation teamed up with the Sprout Fund to create an incentive to spur a variety of biodiversity projects across the region.



THE PITTSBURGH
FOUNDATION

Five PPG Place
Suite 250
Pittsburgh, PA 15222
(412) 391-5122
www.pittsburghfoundation.org