

Philanthropic Services Foundation Consulting

Putting a philanthropic plan in place



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Advancing Your Mission Through a Foundation

Establishing a philanthropic legacy is a major accomplishment in any person's life. Attaining this goal can be a challenging task. The greater the philanthropic vision, the greater the complexities surrounding its realization—and the more important the details become.

A foundation's success often depends on a comprehensive assessment of its mission, infrastructure and cash-flow needs. Whether a foundation already exists or has yet to be formed, this assessment and the subsequent action plan may help it perform to the highest degree of effectiveness.

UBS Trust Company, N.A. (UBS Trust) offers a wide array of strategies and services to assist you in pursuing your philanthropic goals.



What is a Private Foundation?

A private foundation is a tax-exempt nonprofit corporation or a charitable trust established exclusively for charitable purposes. It generally receives its funding from one individual and commonly has a board of trustees or directors, often involving the founding family members, to oversee its charitable mission and operation.

Helping You to Make Your Vision a Reality

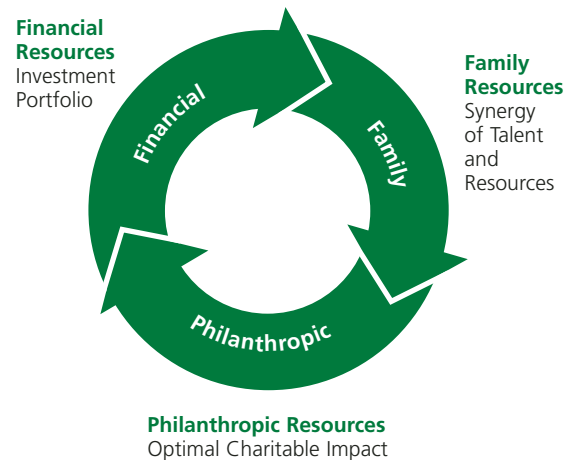
UBS Trust's Philanthropic Services will help guide you to your philanthropic goals. Whether your mission is to create a new foundation, or revitalize an existing one, UBS Trust stands ready to help you make your vision become reality.

Assisting Foundations Optimize Resources

Our Foundation Consulting Services helps private foundations address three types of resources:

- **Family Resources** – Will members of the immediate family, heirs and descendants become involved with the foundation? If so, what are the best ways to apply their talents to the foundation's mission and foster family unity within and across generations?
- **Philanthropic Resources** – Are the foundation's contributions having the maximum charitable impact possible?
- **Financial Resources** – Is the investment portfolio performing at levels to support the foundation's needs, given the cash flow need, nonprofit considerations, risk tolerance and investment policy statement?

Private foundations generally seek to optimize their resources in three key areas:



Our Foundation Consulting Services are customized for each client and vary depending on a client's specific goals. Our goal, however, is the same for all: to help you leverage a foundation's philanthropic capital and resources to pursue your desired results.

Defining the Framework

Our first step is to:

- Assist in clarifying your philanthropic objectives
- Present charitable giving options and assist you in determining an appropriate strategy for your individual circumstances
- Help you work with your tax and legal advisors to understand the income and estate tax implications associated with charitable gifting



Managing the Ongoing Details

While a private foundation can be an excellent tool for your philanthropic activities, you may find yourself overwhelmed with the corresponding administrative responsibilities.

UBS Trust provides a number of services for private foundations, including:

- Record keeping
- Collecting income and disbursements
- Distributing income and principal
- Oversight of accounting functions, including segregating income and principal, and allocating receipts and expenses
- Regular review of investments
- Preparing fiduciary tax returns and tax information for beneficiaries
- Quarterly statements

Helping to Maximize the Foundation's Impact

These services include:

- Assistance in the preparation of mission statements
- Consulting on governance and administration
- Helping to develop strategic grantmaking policies
- Focusing on infrastructure, evaluation and continuity

If you would like to learn more about pursuing your philanthropic goals, talk with your Financial Advisor to arrange a meeting with UBS Trust's Philanthropic Services.

The Foundation Consulting Process

In summary, at UBS Trust we believe working with you and your trusted advisors to establish a comprehensive approach may help to optimize a foundation's total return on its capital and human resources. Our process has three core components:

Organization Management

- Clarify your foundation's mission
- Consider the foundation's governance
- Incorporate best practices of board leadership and continuity

Program Management

- Assist in conducting needs assessment
- Advise on grantmaking activities
- Review cash flow
- Determine short- and long-term investment goals

Investment Management

- Incorporate nonprofit investment and tax considerations
- Customize an asset allocation plan (Note: we do not recommend specific securities in our reports)
- Assist in investment manager(s) selection
- Monitor, report and adjust, when necessary



Taking a Long-Term View

Our process is designed not only to review the history and current status of your foundation, but also to identify opportunities and model alternative philanthropic strategies.

Our consulting services support long-term philanthropic goals specifically tailored for each client's scenario. Depending on the complexity of your situation, the scope of the services may include:

- Multi-generational involvement
- Succession planning
- Grantmaking strategies

A Collaborative Approach: Working With Your Other Advisors

Our foundation consulting takes into consideration certain income, gift and estate tax consequences. Of course, we work with your legal and tax advisors throughout our consulting process.

Neither UBS Trust Company, N.A. nor its employees or affiliates provide tax or legal advice. You should consult with your attorney and tax advisor regarding your personal circumstances. It is your responsibility to determine if, and how, the suggestions made in connection with the planning services should be implemented or otherwise followed. You should carefully consider all relevant factors in making your decisions.

In particular, you should consult with your legal counsel and/or your accountant or tax professional regarding the legal or tax implications of a particular recommendation, strategy or investment, including any estate planning strategies, before you invest or implement them.

Helping You Help Others

Philanthropic Services serves as a resource of nonprofit expertise within UBS Trust Company, N.A.

For private foundations, Philanthropic Services can provide customized and comprehensive guidance beyond administrative support to ensure the foundation's success and continuity.



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