



# Private Foundations

Powered by Foundation Source™

**TD AMERITRADE**  
Institutional

Foundation Source assesses a minimum annual administrative fee. TD AMERITRADE will deduct the Foundation Source administrative fee quarterly from all foundation accounts. Foundation Source compensates TD AMERITRADE with a one time payment at account set up, and recurring payment of a percentage of the administrative fee.

TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. Member NASD/SIPC.  
TD AMERITRADE is a trademark jointly owned by TD AMERITRADE IP Company, Inc. and The Toronto-Dominion Bank.  
©2006 TD AMERITRADE IP Company, Inc. All rights reserved. Used with permission.

**TD AMERITRADE**  
Institutional



## INTRODUCTION

Of all the philanthropic vehicles that exist for donors to accomplish good works, the private foundation is widely considered the most desirable, flexible and enduring. And with today's modern efficiencies and advances in technology, it is easier to have a private foundation than ever before. TD AMERITRADE and our alliance partner, Foundation Source, take care of the details, so you can focus on your charitable giving.

## BENEFITS OF A PRIVATE FOUNDATION

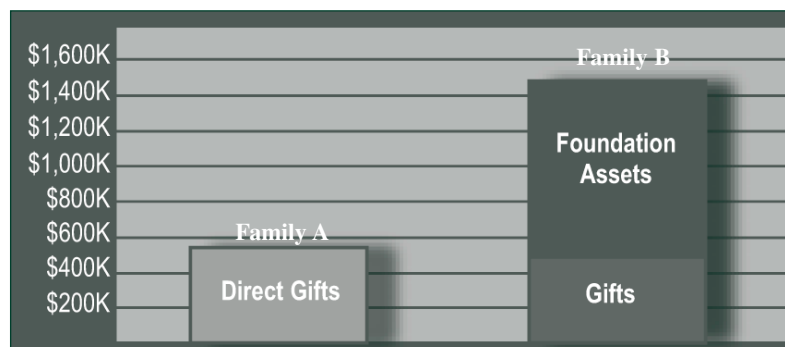
A private foundation offers you and your family many immediate and long-term benefits:

- **Tax Benefits** – When you contribute to your private foundation, you may be able to take an immediate tax deduction, even if the foundation does not make charitable grants until a later date. Private foundations are able to hold a wide variety of assets, including restricted stock and tangible property.
- **Giving Benefits** – You retain control over the governance of your foundation and distribution of foundation assets. Private foundations open up a new world of giving options that aren't available to "checkbook philanthropists," such as scholarships, awards, grants to individuals in need and much more.
- **Family Legacy Benefits** – You can establish lasting legacy of giving that perpetuates your family name and engages the entire family in philanthropic activities, passing on core values to younger generations.
- **Estate Planning Benefits** – You may be able to remove taxable assets from your estate as well as avoid capital gains taxes on assets that have appreciated greatly in value.

### *Giving Power: Compare a Private Foundation with Direct Giving*

*Family A gives \$20,000 a year to charity. At the end of 25 years this family will have given away \$500,000, with nothing left for continued giving.*

*Family B establishes a foundation to which \$20,000 a year is contributed annually. If 5% of the foundation's assets are given to charity each year and the rest invested at 10% return net of fees, after 25 years the charities will have received over \$490,000 and the foundation's assets will be over \$1,020,000.*



Rate of return is hypothetical and not representative of any specific type of investment. Actual investment return and investment value will fluctuate and may result in loss.

## HOW WE CAN ASSIST YOU

TD AMERITRADE has formed an alliance with Foundation Source®, a leading philanthropic service organization, to offer you an innovative way to administer a private charitable foundation without red tape, without high costs, and without the onerous paper work often associated with a private foundation.

Foundation Source manages the administrative and financial back-office functions for your foundation, while your financial advisor manages the foundation's investments within a TD AMERITRADE Institutional brokerage account. Proven systems streamline, simplify and reduce the costs of administrative services.

## SECURE WEB ACCESS FOR FOUNDATION ACTIVITIES

Once the foundation is established, you can enjoy important features such as online access to account information, charitable organization databases and online granting, which add to the ease of managing the day-to-day activities of your private foundation.

Your foundation will have its own personalized, password-protected web site that allows you to:

- Track transactions and current asset balances
- Authorize granting rights and dollar limits for foundation officers
- Initiate grants and review grant history
- Research charities from our database of over one million 501(c)(3) organizations
- Use specialized giving tools such as emergency and hardship assistance grants, grant certificates and scholarships
- Organize and track all grant requests
- Engage family members in a collaborative research and grantmaking from any location
- Add or change officers and directors

TD AMERITRADE does not provide tax advice. Where appropriate it is suggested that you seek the advice of a tax planning professional. Except as otherwise indicated, the wealth management services referenced herein are provided by an unaffiliated third party, and TD AMERITRADE makes no warranties with respect to results to be obtained by their use.



*For more information about the benefits of private charitable foundations and the philanthropic services that we can provide, please contact your financial advisor*