

## Types of Foundations and Giving Programs

### Community Foundation

- Exclusively serves a specific geographic community or region (e.g., Community of Southeast Michigan)
- Can be classified by the IRS as a private foundation, but most are “public charities” that raise a significant portion of its funds from the public each year
- Funds usually derived from many donors but managed in a single endowment
- Income from the endowment is used to make grants
- Offers a range of donor-advised options and services

### Corporate Foundation (Company-Sponsored Foundation)

- Assets are derived primarily from contributions of a for-profit business (Masco Corporation Foundation)
- May maintain ties to the parent company but is an independent entity
- Subject to the same rules and regulations governing independent foundations

### Corporate Giving Program (Direct Giving Program)

- Grantmaking program established and administered within a for-profit corporation; often administered by marketing or public relations (Charter One Bank Foundation; Toyota Motor Sales Corporate Giving Program)
- Does not have separate endowment; grantmaking closely tied to company profits
- Gifts or grants go directly from the company to charitable organizations
- Often focuses grantmaking on communities where there is a company presence.
- Not subject to the same reporting requirements as corporate foundations

### Family Foundation

- Legally, not distinct from other independent foundations
- Funds are derived from members of a single family
- Family members often serve as officers or board members and have a significant role in grantmaking decisions
- Represents more than half of all private and community foundations
- Most are small and informal organizations; a few are among the wealthiest U.S. foundations (Bill and Melinda Gates Foundation; Lily Endowment)

### Independent Foundation (Private Foundation)

- Nongovernmental, non-profit, self-governed organization
- Funds and programs managed by its own trustees or directors
- Often complex and professionally managed with large staffs (Kellogg Foundation; Ford Foundation)

### Operating Foundation

- Private foundation whose primary purpose is to conduct research, social welfare, or other programs determined by its governing body or establishment charter (Open Society Institute, Research Corporation for Scientific Advancement)
- May make grants, but amount of grants awarded are often small relative to the funds used for the foundation's own program

### Public Charity

- Organization that normally receives more than one third of its support from a governmental unit or from the public (Alzheimer's Drug Discovery Foundation; American Cancer Society)
- Includes churches and hospitals
- Receives income from the conduct of activities in furtherance of the organization's exempt purposes or actively functions in a supporting relationship to one or more existing public charities.