

privatefoundation NEWS

Staying in the know

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Foundations Are
Building a Better
Central Indiana...
Together!

MAKE YOUR LIFE EASIER:

The Sablosky Family
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More Power to Your
Private Foundation

TOP TEN WAYS
PRIVATE
FOUNDATIONS
GET INTO
TROUBLE



Dear Friends,

Our work in the community for the past 95 years has been based on connections . . . with not-for-profit organizations . . . with local government . . . and with other funders, including institutional grantors and private foundations. It is these connections that leverage the philanthropy that results in community transformation.

At CICF we are convinced that the transformational power of philanthropy positively affects both the beneficiary AND the donor. We encourage all donors to practice charitable giving in this way by aligning their gifts with their values, passions and beliefs.

We're very excited to share our first *Private Foundation News* with you. It was created and published specifically for the charitably inclined in central Indiana who have established corporate or family foundations.

This magazine includes a little bit of everything – articles packed with helpful information about tricky regulations, stories about collaboration, and how leveraging makes it easier to reach a greater goal, ideas for engaging the next generation in charitable giving and more.

We invite you to:

- Make your foundation's giving more powerful – and efficient – by putting our expert staff to work! Our staff provides broad services to philanthropic enterprises of all types and effectively expands your foundation's capacity and ability to help others.
- Partner with CICF as we work to transform communities across central Indiana with a special focus on developing, attracting and retaining human capital.
- Engage in our community beyond your foundation! We're eager to connect you with board opportunities or volunteer projects that will further involve you and your family with the not-for-profit organizations of your choice.

Since our beginning nearly 100 years ago, we've learned partnerships lead to better results for everyone. We hope *Private Foundation News* will leave you more informed and with new ideas for your family foundation that will make it more effective – and efficient – than ever before.

We wish you all the best in your critical work!

David Becker
Chair, CICF Board of Directors
CEO and Chairman
First Internet Bank of Indiana

Brian Payne
President and CEO
Central Indiana Community Foundation and
The Indianapolis Foundation

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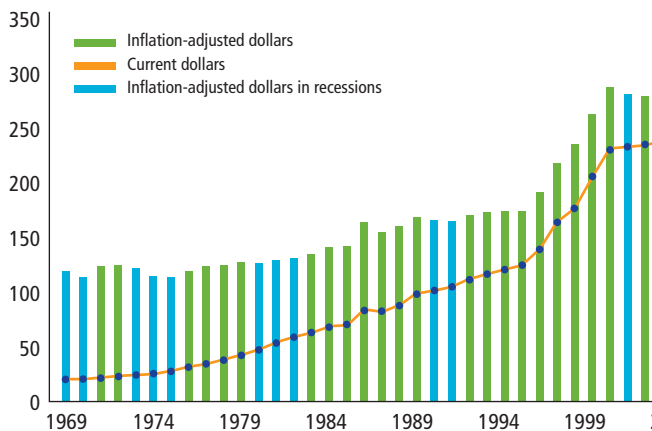
Did You Know

- > **120,810** - number of private foundations nationwide in 2010.
- > **\$21.1 billion** - total grants by family foundations nationwide in 2008. Foundation Center estimates that family foundations account for 62% of total foundation giving.
- > **94%** of Indianapolis area (Marion and Hamilton Counties) private foundations hold assets of less than **\$10 million**.
- > **55%** of Indianapolis area (Marion and Hamilton Counties) private foundations hold assets of less than **\$500,000**.

Figures & Facts

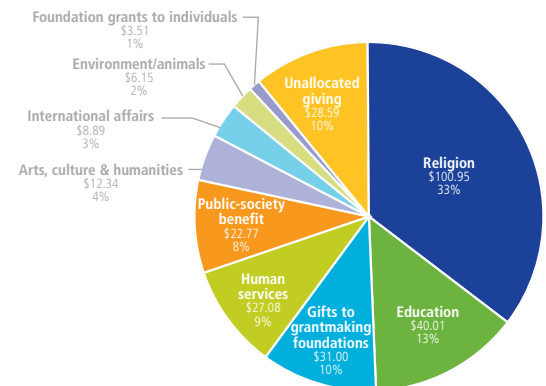
to keep you informed ...

TOTAL GIVING, 1969-2009 (\$ in billions)



WHERE IT GOES

2009 Contributions: \$303.75 billion
by type of recipient organization
(\$ in billions – All figures are rounded)



IS THERE A BBB FOR COMMUNITY FOUNDATIONS? **YES!**



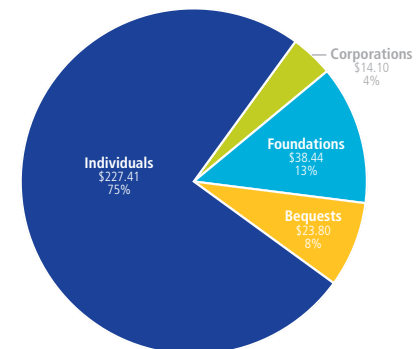
The Council on Foundations' National Seal of Approval is given to select community foundations with proven sound and accountable policies and practices.



CICF is the proud recipient of this Seal of Approval.

CHARITABLE GIVING BY SOURCE

2009 Contributions: \$303.75 billion
by type of recipient organization
(\$ in billions – All figures are rounded)



HOW PRIVATE FOUNDATIONS

GET INTO TROUBLE

TOP TEN LIST

Private foundations are subject to more stringent tax laws and regulations than public charities. Known as the “private foundation rules,” these additional rules and regulations are often counter-intuitive. Transactions which are entirely proper for a public charity often may be illegal for a private foundation if, for example, the transaction involves a “disqualified person.” Both family and corporate foundations should keep this Top Ten List in mind in order to avoid potential traps.

1. SELF-DEALING

What is self-dealing?

Transactions between the foundation and specific insiders, known as “disqualified persons,” are prohibited. Disqualified persons who enter into self-dealing transactions are subject personally to excise taxes of 10% until the self-dealing transactions are reversed.

Who are disqualified persons?

- Directors, officers, trustees, foundation managers
- Substantial contributors to the foundation
- Family members of any of the above
- For a corporate foundation, the corporation that funds the foundation, potentially all employees and all of the people listed above

What are some examples of prohibited self-dealing transactions?

- The foundation pays rent to a disqualified person, even below-cost rent
- The foundation loans money, or furnishes goods or services to a disqualified person
- The foundation pays excessive compensation to a disqualified person
- A foundation trustee uses the foundation offices for meetings unrelated to foundation business

Can a corporation redeem stock gifted to a corporate foundation?

Only under very specific circumstances.



What about the extension of credit between the foundation and a disqualified person?

The lending of money between a private foundation and a disqualified person is prohibited except in the case of a loan to the foundation if the loan is *without* interest or other charge, and the proceeds are used exclusively for Section 501(c)(3) purposes.

2. SATISFYING PERSONAL OR CORPORATE PLEDGES

In either the family or corporate foundation context, if a charitable grant will satisfy a legally binding personal pledge of a disqualified person or the corporation, the grant will constitute an act of prohibited self-dealing.

What is a pledge?

A pledge is a promise to pay. It is self-dealing for the foundation to pay a legally enforceable promise to pay because that is a personal debt of the disqualified person or of the corporation.

Can our foundation use a grant to a charity to satisfy the pledge of one of our foundation trustees?

No. A pledge is a private obligation to pay and the foundation cannot fulfill a personal obligation of its trustees or other disqualified persons. (There may be some room to argue about the legal enforceability of a particular pledge, but making and fulfilling these pledges is best avoided.)

Can our new corporate foundation take over a multi-year pledge made by the corporation?

No. If the corporation has pledged future support, the corporate foundation should not fulfill that pledge.

3. ATTENDING FUNDRAISERS

If the foundation receives goods and services from a charity in exchange for a grant, e.g., tickets for an event including dinner and entertainment, lunch and a national speaker, etc., the tickets cannot be used by a disqualified person except if it is part of that person's oversight responsibility.

What if I pay the foundation back for the cost of the dinner?

Dividing the ticket value into "charitable" and "non-charitable" components doesn't work. For the purpose of the self-dealing rule, the IRS takes the position that it is not possible to separate the price of a ticket this way.

Can my spouse attend?

The use of tickets by spouses who do not have a role with the foundation should be avoided.

What happens if I give the tickets to someone — an in-law or friend?

The attendance at an event is permitted where the attendee has to carry out a legitimate foundation duty, such as evaluating or monitoring grantee activities. In-laws are disqualified, so the ticket use would be self-dealing. And giving the tickets to an unrelated person would be using foundation assets for a non-charitable purpose — which is prohibited.

What should I do with tickets received by the foundation?

The safest thing to do is to give them back to the organization or to another charity.

Can the foundation be listed in the program at a ticketed event?

Yes. Acknowledging the foundation as a contributor to the event is considered public recognition, which the IRS has determined is permissible and does not constitute a tangible, economic benefit.

4. HIRING FAMILY MEMBERS AS STAFF

A private foundation may not pay compensation to a disqualified person, nor pay nor reimburse the expenses of a disqualified person, unless two conditions are met. First, the compensation must be for specific "personal services" which are reasonable and necessary for carrying out the foundation's exempt purposes. Second, the amount of compensation, payment, or reimbursement must be reasonable and not excessive under the circumstances. The definition of "personal services" is narrow, so consultation with legal counsel is recommended before hiring family members as foundation staff or service providers. For example, real estate management, interior design and IT are not included in the definition.



5. BOARD COMPENSATION

Most foundations do not compensate board members or trustees. There is no prohibition against it, however, so long as the fees are reasonable.

6. PAYING TRAVEL EXPENSES

Can I take my family on foundation travel at the foundation's expense?

Generally, no. Paying for spouse/family travel using foundation assets is self-dealing, unless the person has legitimate foundation duties. Any expense, even if for legitimate and meaningful foundation business, would need to be reasonable.

Is attending dinner as a family at a conference a foundation expense?

Perhaps. If the family members all have official, meaningful foundation duties that further the charitable purpose of the foundation, the primary purpose of the dinner is to conduct official foundation business, and the costs of the dinner are reasonable, foundation assets can be used to reimburse the costs of the dinner.

7. PROVIDING SCHOLARSHIPS

Are there special rules for grants to individuals?

Yes. Scholarships or grants to benefit disqualified persons are prohibited. For example, a private foundation cannot provide a scholarship for the grandchildren of the foundation's substantial donor. For non-disqualified persons, the selection process must be pre-approved by the IRS.

What about a corporate foundation providing a scholarship program for children of employees?

A corporate foundation may administer a program that awards scholarships to children of employees, so long as the program is not designed primarily to benefit the company as a recruiting, retention or compensation tool. Specific IRS guidelines must be followed.

Can we avoid these rules if we make the grant to a public charity or directly to the educational institution?

Generally, yes. The foundation could grant directly to the institution and have it make the selection if the charitable class is large enough and the institution is agreeable. If the foundation does not want to limit the recipients to one institution, it also could establish a companion fund for scholarships at CICEF.

8. JEOPARDIZING INVESTMENTS AND EXCESS BUSINESS HOLDINGS

Private foundation trustees and managers must be attentive to rules affecting its investments. Imprudent and risky investments can result in imposition of an excise tax of 10% of the amount invested. The rules also regulate how much of a business enterprise a foundation and its disqualified people may hold.

9. INTERNATIONAL GRANTMAKING

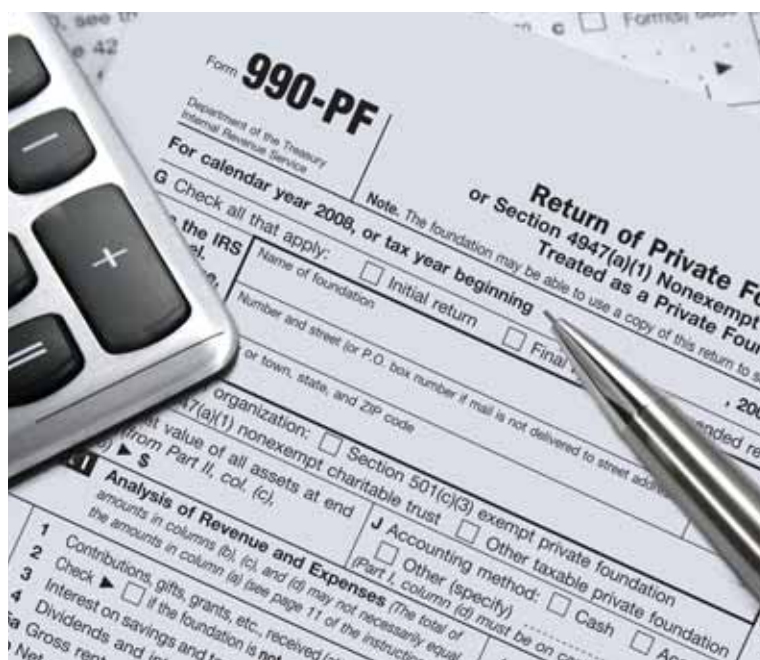
Can we make grants outside the U.S.?

Private foundations can grant to non-501(c)(3) organizations outside the U.S. as long as they follow the rules for either "expenditure responsibility" or "equivalency determination."

What are the Expenditure Responsibility rules?

The five basic steps for completing expenditure responsibility include:

- 1. Pre-grant inquiry.** The foundation must make a reasonable investigation of the grantee to make sure it is capable of performing the charitable activity to be funded.
- 2. Written agreement.** A written agreement must specifically set out the charitable activities to be accomplished with the grant and must be signed by the foundation and the potential grantee. It must set forth specific limitations, e.g., no funds may be used for lobbying activities.
- 3. Separate account.** The grantee must establish a separate account for the funds and cannot commingle charitable dollars with non-charitable funds.
- 4. Regular reports.** The grantee must provide regular status reports on the expenditure of the funds and the progress made in fulfilling the charitable purpose for the funds are earmarked.



5. Report to IRS on 990-PF. The foundation must indicate on its Form 990-PF tax return when a grant is made in that tax reporting year that requires expenditure responsibility. The foundation must include a schedule with a brief description of each such grant.

What rules govern “equivalency determinations”?

“Equivalency Determination” is a good faith judgment that the non-U.S. grantee is “the equivalent” of a U.S. public charity. A foundation may make such a determination based on an affidavit from the grantee or an opinion of counsel that the grantee is a public charity. Necessary supporting documentation must be obtained, including organizational documents, relevant statutory or governing provisions concerning distribution of assets upon termination, detailed financial data, and demonstration by the grantee that none of its assets or income will provide a private economic benefit to individuals, that its non-charitable activities will be insubstantial, and that it will not participate in political campaigns.

10. LOBBYING OR OTHER TRANSACTIONS WITH GOVERNMENT OFFICIALS

A private foundation may not make, or agree to make, any payment of money or transfer of property to a government official. Moreover, the Tax Code imposes punitive taxes on private foundations and their managers if the foundation engages in lobbying and requires the foundation to correct the situation. Although there are types of non-lobbying advocacy that fall outside the technical statutory definition of lobbying, foundations that wish to become involved in public policy must follow the lobbying rules established by IRS regulation.

Sources used in compiling this article: various publications by the Council on Foundations’ legal staff.



Questions? For more information, contact Mary Stanley at marys@cicf.org or 317.634.2423, ext. 319.



Or.....Simplify your life with CICF!

For more information, contact Mary Stanley or Jan Edmondson at 317.634.2423 or visit www.cicf.org.



BUILDING A BETTER COMMUNITY: CICF'S PLAN FOR CHANGE

PRIVATE FOUNDATIONS ARE LEVERAGING CICF'S STRATEGIC INITIATIVES TO ACCOMPLISH THEIR OWN MISSIONS.

Central Indiana Community Foundation has been a community fixture – and leader – since its first affiliate foundation began in 1916. Its core focus continues to be donor services and grantmaking. But like a growing number of community foundations, CICF has combined its experience and vast networking and convening capacity with those core services to create a comprehensive plan for growing the area's human capital, and building a better community. Besides benefiting the community, private foundations are discovering that CICF's broad, flexible services and three strategic initiatives leverage philanthropic opportunities that help them achieve their missions, too.

INITIATIVE #1: SELF-SUFFICIENCY AND FAMILY SUCCESS

Based in Indianapolis, the Reuben Family Foundation has supported a wealth of organizations over the years, including a Boston-area Yiddish library and a spay-neuter clinic in Latin America. Larry Reuben, a 60 year-old lawyer, and son of the foundation's creators, Albert G. and Sara I. Reuben, manages the foundation's philanthropic activities, and directs support to causes he believes reflect his parents' wishes. One of them is helping the city's impoverished families achieve self-sufficiency.

In May 2010, Reuben met with Brian Payne, president and CEO of Central Indiana Community Foundation, to discuss plans for bringing

a branch of Grameen Bank to Indianapolis. A micro-lending bank founded in Bangladesh to help poor families end intergenerational poverty by building small businesses, Grameen represents an important part in CICF's self-sufficiency focused Family Success Initiative. Reuben became increasingly interested as he learned about Grameen's history of helping those willing to work hard get ahead – just as his parents had. Less than a year later, he committed \$1 million via a CICF Donor-Advised Fund to make the Indianapolis branch a reality.

Reuben says his Donor-Advised Fund affords him the level of confidence he was seeking to make the commitment. CICF, he says, "is beyond reproach" at convening and managing relationships with not-for-profits. Best of all, CICF and Grameen focus on creating financial capability – the combination of assets, financial literacy and programmatic assistance – and personal accountability to achieve self-sufficiency, strategies Reuben knew his parents would endorse. "My parents started with nothing, and always remembered where they came from," he says. "They believed if you work hard and dedicate yourself, there's a likelihood you'll achieve a level of success."

INITIATIVE #2: COLLEGE READINESS AND SUCCESS

CICF believes building educational attainment is critical for central Indiana's long-term health and well-being. Founded in 1995, the

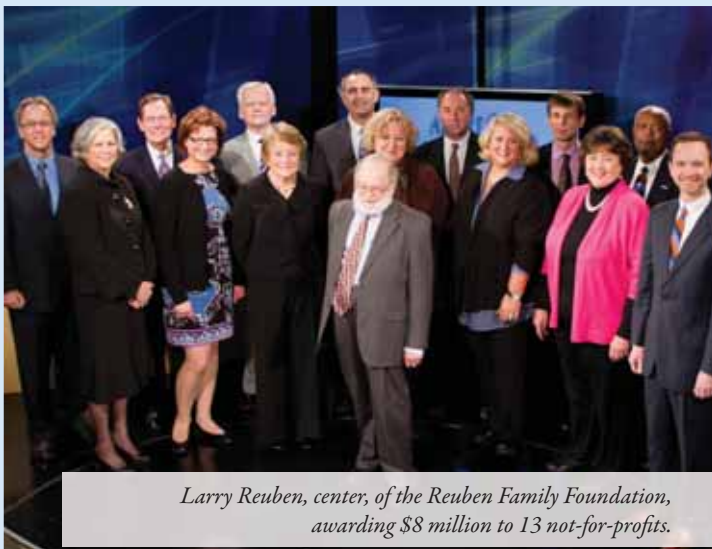


The McKinney family: (Front row) Arlene and Robert; Rob, Kent, Lisa, Marni and Kevin, (back row, left to right).

Summer Youth Program Fund is one component of the College Readiness and Success Initiative. It was created when a funding crisis threatened to close swimming pools, parks and other community amenities in Indianapolis, a move that would have denied the city's urban youth with essential programs and activities, fun and recreation. In response The Indianapolis Foundation, a CICF affiliate, and Lilly Endowment Inc. created a funding collaborate, the Summer Youth Program Fund (SYPF), to avoid the shutdown. Initially, the two funding partners provided \$370,000 to support 26 organizations. Since then the collaborative has grown to include 10 local and national funding partners that provide over \$3 million dollars annually for local youth camps and programs.

Today CICF provides grant administration support for all of the Summer Youth Program Fund partners (except Lilly Endowment, Inc.), including three family foundations – Hoover Family Foundation, Christel DeHaan Family Foundation and The Clowes Fund, Inc. CICF's staff provides cost-effective support to these philanthropic partners that makes it easier for them to participate (and in a greater way as a result).

In 2008 SYPF partnered with the National Summer Learning Association (NSLA) to address "summer learning loss" associated with summer vacations. Led by Lilly Endowment and Lumina Foundation for Education, the initiative was an outgrowth of the



Larry Reuben, center, of the Reuben Family Foundation, awarding \$8 million to 13 not-for-profits.

fundings' desire to respond to the financial needs of summer programs serving urban youth, and to improve educational attainment by slowing summer learning loss.

Katherine Souchet-Moura, program officer at The Clowes Fund, Inc., says CICF's knowledge, recommendations and administrative support made it easier for her to do her job, and easier for her organization, too.

"We make 100 grants to organizations every year – CICF's services expanded our grantmaking capacity, which allowed us to use our human resources more effectively, and invest in a program we believe in."

~ Katherine Souchet-Moura, Clowes Fund, Inc. program officer

"We make 100 grants to organizations every year," she says. "CICF's services expanded our grantmaking capacity, which allowed us to use our human resources more effectively, and invest in a program we believe in."

INITIATIVE #3: INSPIRING PLACES

CICF's Inspiring Places Initiative focuses on collecting, respecting and caring for man-made and natural assets as means of adding value to neighborhoods and communities. The initiative is also meant to provide the types of amenities central Indiana needs to attract visitors and newcomers necessary for economic sustainability. The McKinney Family Foundation finds the initiative easy to support.

"Our foundation is working on several projects like this," says Kevin McKinney. Besides construction of a dedicated lane on Capitol and Illinois streets to enable and encourage bike-riding commuters, the family foundation created a CICF fund to support initiatives originated by the City of Indianapolis' Office of Sustainability, and also support for the design and development of the Indianapolis Sustainability Awards.

The McKinney's foundation also supports related "inspiring" organizations including the Hoosier Environmental Council, the Indiana University Purdue University at Indianapolis Office of Sustainability and the Herron School of Art. And its Green Initiative Fund at CICF makes the city's annual Cultural Vision Awards possible.

McKinney says CICF's community knowledge and expertise has helped his family's foundation achieve many of its most "inspired" goals. "CICF has been very helpful in providing us with guidance and the means necessary to channel financial support to city government, particularly the Office of Sustainability," he says.

Call Rob MacPherson at 317.634.2423, ext. 509 to learn how your foundation can leverage CICF's philanthropic assets and achieve community transformation – together!



More Power to Your Private Foundation?

CICF Options for Private Foundation Services

Private foundation legal expert Bruce Hopkins states, “There is still no category of tax exempt organization that is subject to anything like the compliance burdens to which private foundations are subject.” The frequently asked questions below make it easy to understand why more private foundations are finding ways to reduce those burdens. CICF can help!

Can I transfer my private foundation to CICF and keep my family or corporate foundation name and keep board members and family involved?

Absolutely on both accounts! You can name your foundation or fund at CICF anything you'd like. And, current board members may become the advisory committee for the fund, and your corporate board may remain as involved as desired.

Besides transferring my private foundation, are there other ways to obtain CICF's services?

There are two additional ways to partner with CICF. One would be to open a “companion” donor-advised fund at CICF in addition to keeping your private foundation. All or part of the private foundation's required five percent annual payout can be placed in your CICF donor-advised fund. You “buy into” all of CICF services, you can make grants from either fund, and your family or corporate board/committee can stay as involved as you would like. The other option is to discuss a specific scope of services that CICF could provide directly to your private foundation. This fee-for-service option could involve governance issues, research or grantmaking advice, family/corporate transition and succession planning, etc.

What is the payout requirement at CICF?

Unlike the mandatory five percent distribution requirement for private foundations, there is no payout requirement for foundation funds at CICF.

Is my foundation's information confidential at CICF?

Yes! At CICF it may be as anonymous as you would like, and information concerning assets, trustee names, grants and interests is completely confidential, unlike private foundation IRS 990 information available on the internet.

Can I ensure my family's or firm's legacy with my CICF Foundation?

Yes. We will document and honor your specific wishes in perpetuity. Our staff support and best practice-approach often help CICF foundation funds outlast private foundations.

What services can I get from CICF?

Our staff's knowledge and institutional experience is available at no extra charge to all funds and foundations held at CICF (and the above mentioned “fee-for-service” option will outline the services and corresponding costs). And our grantmaking staff helps improve foundation grantmaking and effectiveness by understanding issues and trends in Marion and Hamilton counties and the organizations that consistently make a difference. Our donor services staff consists of experts in strategic philanthropic planning and family philanthropy who can facilitate foundation meetings, assess grant requests, oversee site visits, execute research, provide post grant assessments...you name it!

Will I have access to my foundation's fund balances and grant activity?

We have a secure online account access tool called CICF Connect. This is a service for fund holders and fund advisors and makes it easy for you to view your foundation balances, gifts into the foundation, and grants made—with information updated daily. You can also recommend grants online.

Can I keep my foundation's investment manager?

Foundations with assets of more than \$500,000 may keep their current investment managers. Otherwise, CICF will professionally manage the assets of your foundation fund, under the direction of our Joint Investment Board, CFO Kay Whitaker, and investment consultant Cambridge Associates.

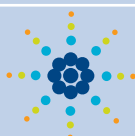
Questions?

If you'd like to explore options to give more power to your foundation, please call Rob MacPherson or Mary Stanley at 317.634.2423.

How to Simplify Your [Foundation's] Life

For most of us, comparing options is easiest when done side-by-side – which is why we created the chart below! Use it to compare facts in each category that can make your life easier and ensure your foundation's traditions carry on.

	Stand-Alone Private Foundation	Family or Corporate Foundation at Central Indiana Community Foundation
Starting the Fund or Foundation	Nonprofit corporation created by donor.	Established at the Central Indiana Community Foundation.
Start-up Timing	Can take a year or longer.	Immediate for new funds. CICF can assist with private foundation transfers which may take several weeks.
Start-up Costs	Similar to creating a new corporation; substantial legal, accounting and operational start-up costs.	No cost to donor.
Tax Status	Applies for private foundation tax exempt status from the IRS.	Shares the public charity tax exempt status of CICF.
Charitable Deductions Cash Gifts	Tax deduction is limited to 30% of adjusted gross income.	Tax deduction of up to 50% of adjusted gross income.
Charitable Deductions Appreciated Property	Tax deduction limited to 20% of adjusted gross income, and in some cases, is limited to donor's cost basis.	Tax deduction available for fair market value and up to 30% of adjusted gross income.
Privacy	Tax returns are public records and readily available on the internet. IRS 990 forms must include asset base, grants made, name of foundation officers and investments.	Availability of information is at donor's discretion. Can be completely anonymous or CICF will assist with publicity.
Fiduciary Responsibility	Board has full fiduciary responsibility. IRS penalties can be assessed.	CICF fulfills all associated fiduciary responsibilities.
Payout Responsibility	Must pay out 5% of asset value annually regardless of annual income.	Does not apply.
Donor Involvement	Donor retains control over investments and grantmaking, subject to IRS requirements.	Donor makes advisory grant recommendations, subject to CICF Board approval. If to a US 501(c)(3) public charity for a legal purpose, approval is automatic.
Administrative Concerns (personnel, facility, gift and grant management)	Must establish and/or obtain these services.	Personalized services provided by CICF.
Grant Making Support	Must hire staff or consultant.	Full service grantmaking research, analysis monitoring, and follow up.
Administrative Costs	Administration can be costly.	Minimal (0.3% - 3%).
Annual Taxes	Subject to excise tax of up to 2% of net investment gain including net capital gains.	None.
Annual Tax Filings and Returns	Required with supporting schedules.	Not required.
Investments	Must research and secure its own investment vehicles.	Fund assets are professionally invested.



Questions? Contact Jan Edmondson or Mary Stanley at 317.634.2423 or visit www.cicf.org/private-foundation-services.com.

Interview with Larry & Lisa Sablosky

Larry and Lisa Sablosky sat down with CICF's Rob MacPherson, vice president for development, to talk about the joy they receive from transformative philanthropy – and how their family foundation at CICF makes that happen for them.

Q: If you could change one thing in our community, regardless of what would be necessary to make that happen, what would that be?

A: In a perfect world, we would end poverty in our community. We believe this would have far-reaching effects – it would lead to better education, related-opportunities and a chance for all of us to live in a safe, secure environment while pursuing our true potential.

Q: How did you gravitate to the issues and organizations that are most important to you to support financially?

A: We believe in the “Teach a man to fish” adage, so we tend to gravitate toward the organizations that help people reach their potential through mentoring, education and self-sufficiency support.



Larry & Lisa Sablosky

SNAPSHOT

Q: Why did you decide to move your foundation to CICF?

A: Grantmaking, vetting of organizations, easy access to records and a history of current and past gifts – it's all easier with our CICF foundation.

Q: How are you enjoying your experience with CICF's personalized services so far? What do you like the most about your experience with us?

A: It's been tremendous. The staff is very supportive and always available, and it's really easy to trust CICF's investment managers. Grantmaking is efficient, and it's been nice relinquishing so much of the accounting and legal responsibilities.

Q: What would you recommend to others who are looking to organize or be more strategic about their philanthropy?

A: If someone is looking for help, education or information about family philanthropy, he or she should talk to CICF – we think it's one of your real strengths.

Q: So what's next for you and your family's philanthropy?

A: Strategically, we want to grow our fund and make substantive contributions to both our own community and the communities where our adult children live and work.



To find out how you can make more of a difference, contact Jan Edmondson or Mary Stanley at 317.634.2423 or visit www.cicf.org.



Nate Kaplan, a 2010 Indianapolis corps member that the Sablosky's know through Teach for America's Sponsor a Teacher program.

Larry and Lisa Sablosky are prime examples of how personal values and beliefs are translated to their philanthropic goals. Self-sufficiency and opportunity are two standards by which Larry and Lisa live their lives. Giving someone the tools to succeed or teaching them what they need to know to improve their lives are where they've centered their volunteerism and charitable giving.

Lisa found great reward as a volunteer, supporter and founding board member of Dress for Success because of its mission to promote the economic independence of disadvantaged women. Improving self-confidence, providing a network of support, and offering career development tools to help women thrive in work and in life keeps Lisa engaged in this special organization.

Larry has been a mentor practically his entire life. That is best exemplified as a long-time board member and generous supporter to Big Brothers Big Sisters. Larry was also a former Big Brother himself. In 2010, the organization honored Larry with the inaugural Sablosky Mentor Award, which annually honors a person in central Indiana who has demonstrated a passion for mentoring and a commitment to making mentoring an integral part of their lives.

Larry and Lisa are huge supporters of teachers (Lisa used to be one!). They are new supporters of Teach for America and have enjoyed getting to know the corps members that are new to Indianapolis. Lisa's a TFA Board Member and they both want to advance dynamic classroom teaching for underprivileged children.



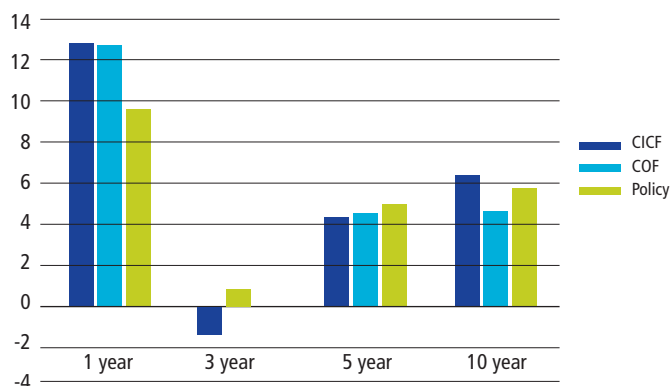
Finish Line employees meet their Little Brothers and Sisters at IPS 94 for the first time; Larry and Daniel, his Little Brother, at left.



Dress for Success promotes the economic independence of disadvantaged women by providing professional attire, a network of support and career development.

INVESTING IN CHANGE

Trends We're Watching



To obtain a copy of the Council on Foundations report or to learn more, contact Kay Whitaker, CFO of Central Indiana Community Foundation, at kayw@cicf.org, or call 317.634.2423, ext. 551.

CICF believes investors preserve purchasing power in perpetuity by maximizing returns at an appropriate level of risk. Assets can deliver growth, hedge against catastrophic macroeconomic risk or provide diversification. CICF benchmarks its success against the Council on Foundations' *Community Foundation Universe* report and our investment consultants, Cambridge Associates' endowment universe.

Community Foundation Universe includes 183 portfolios ranging from \$3.3M to \$7.1B in assets as compiled by the Council on Foundations. Of the total, 96% were >\$1B in assets. As the chart at the left shows, CICF's average investment return compared favorably to the total population and portfolios >\$500M.

Report highlights include:

International equity exposure has risen significantly over the past 10 years, now representing 19.5% of the average total portfolio reflecting the fact that the U.S. stock market is only 32.8% of the global capitalization.

Fixed income and cash have declined from 27.5% in 2008 to 24.5% in 2010. The decrease reflects the recovery of value in equity markets and a slight increase in alternative investments including commodities and hedge funds.

Cambridge Associates endowment universe represents 116 participating colleges and universities, foundations, museums and libraries, medical endowments, and related institutions with a median market value of \$225M at September 30, 2010. CICF's average annual, 3-year, 5-year and 10-year investment returns ranked in the 25th percentile of this group of industry leaders.

MEET OUR PRIVATE FOUNDATION SERVICES TEAM



Our expert staff has helped private foundations of every type and size. Call to find out how we can help you!

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How to Talk to Your Child about Philanthropy

Teaching children about philanthropy ensures important values flourish well past our lifetimes and is a great way to share and create understanding about the joy of giving. Here are some tips to start your children on the road to being philanthropic.



Share Your Family's History of Giving - It is very helpful for your child to know the causes important to you and those that are/were important to his or her grandparents. Information about their heritage allows children to build upon it – and take pride in it, too.

Lead By Example - Let your kids “catch you” in the act of being generous and charitable and talk about it with them. For instance, write your checks to charitable organizations in front of your children. Tell them what you're doing and why.

Follow Your Child's Lead and Natural Curiosity About the World Around Them - Build on their curiosity about specific news stories, community and world events and listen for what is meaningful to your child's heart.

Keep It Simple - Philanthropy and charity are big concepts. Caring, sharing, giving and receiving, respect, and helpfulness are more tangible and easier to grasp.

Talk in Terms of Need - We are all unique – and yet we all have needs. All of us at some time or other need help. Whether we're giving or receiving, each of us has something valuable to bring to this world.

Take Your Child on Field Trips - Field trips bring philanthropy to life by letting children see organizations making a difference in the lives of people and demonstrating the results of giving.

Women's Fund of Central Indiana is a CICF fund that offers philanthropy programming for boys and girls in grades 1-12, for donors with GO Funds, which are donor-advised funds for children. The GO: Give Back program teaches children and youth to make thoughtful and meaningful contributions to the community.

CICF offers other opportunities for children to learn about and participate in age-appropriate philanthropy. For additional information about these resources, contact Pam Velo at 317.634.2423, ext. 506 or pamv@cicf.org.

Source: The Giving Family: Raising Our Children to Help Others. Council on Foundations

Who's Watching Your Back?

Indiana Grantmakers Alliance (IGA) is helping to raise awareness of the importance of all foundations in Indiana to ensure that private philanthropy continues to thrive. Right now, philanthropy faces a deficit of awareness among government, business, and news media decision-makers. This lack of awareness of the important contributions of foundations increases threats to private philanthropy as the State and Federal government struggles to balance budgets.



To learn how IGA works to protect your foundation, contact Marissa Manlove, CEO, at 317.630.5200 or visit their Web site at www.indianagrntmakers.org.



There is nothing *private* about a *private* foundation.

All foundations must file annual 990 forms with the IRS, which then makes this information available online, free of charge, to the public. The 990 includes names, addresses and compensation of board of trustees, a list of all grants made by the foundation, detailed information regarding the foundation's investment performance, legal and accounting expenses, etc. According to Council on Foundations, each day more than 20,000 people search GuideStar.org for more information like this. Truly, there is nothing private about a private foundation. Go to: www.GuideStar.org and www.TaxAnalyst.com.



To discuss ways your philanthropy can be more anonymous, contact Rob MacPherson at robm@cicf.org, 317.634.2423, ext. 509, or visit www.cicf.org.



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There's Power In Numbers

Thank you!

To all of the esteemed professional advisors who are currently serving on our Professional Advisor Leadership Council (PALC) and those who have previously served on our advisory councils (Cornerstone Council) of Central Indiana Community Foundation (CICF), we thank you!

PALC is a select group of volunteers who represent accomplished professional advisors in the community from the practices of estate planning, accounting, investment, insurance, and financial services. They advise and counsel CICF in our philanthropic efforts in central Indiana while, at the same time, they are kept aware of the strategic charitable impact that their clients and other donors are having on our community and beyond.

Together we can grow and continue to impact philanthropy for the benefit of all.



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