

# Independent Private Health Care Foundations

## General Information

Association of Small Foundations. "Nonprofit Sector 101." *Association of Small Foundations*. Web. <http://www.smallfoundations.org/starting-a-private-foundation/nonprofit-sector-101/>

Information regarding the nonprofit sector is laid out here." "Nonprofit sector" collectively describes the institutions and organizations in American society that are neither government nor business." Nonprofit organizations are given the 501(c) (3) code by the Internal Revenue Service. The most common types of nonprofit-organizations are noted.

Council on Foundations. "Glossary of Philanthropic Terms." *Council on Foundations*. Web. <http://www.cof.org/whoweserve/terms/index.cfm>

Almost every term regarding philanthropy and foundations is included in this site. Definitions for each of the terms are given and some terms have examples as well. In order to run a successful foundation, one must be knowledgeable about these terms and their meanings.

Fleishman, Joel L. *The Foundation: A Great American Secret: How Private Wealth Is Changing the World*. New York: PublicAffairs, 2007. Print.

Many people underestimate or do not recognize the impact private foundations make on society as a whole. The private wealth involved in foundations is what allows our society to function. This book talks about the how the idea of foundation came about and expands on their long history. Additionally, according to the book description, "This book shows how, why foundations matters, and how the future of foundations can provide a vital spur to the engine of the American, and the world's, economy—if they are properly established and run."

Forum of Regional Associations of Grantmakers. "Types of Grantmakers." *Forum of Regional Associations of Grantmakers*. Web. [http://www.givingforum.org/s\\_forum/sec.asp?CID=2480](http://www.givingforum.org/s_forum/sec.asp?CID=2480)

Descriptions of every type of foundation are given. The type of grantmakers necessary, the organization of the foundation and much more are given on this site. The different types of foundations include private, family, corporate, independent, public, operating, community, and more.

Grant Makers in Health. "The Field of Health Philanthropy." *Grant Makers in Health*. Web. [http://www.gih.org/files/usrdoc/Knowledge to Action - The Field of Health Philanthropy.pdf](http://www.gih.org/files/usrdoc/Knowledge_to_Action_-_The_Field_of_Health_Philanthropy.pdf)

This publication from Grant Makers in Health describes the focus area of Health Philanthropy. Health related giving is one of the largest fields in grant making. The history of Health Philanthropy is given, noting its successes along the way. The emergence of so many foundations supporting health philanthropy has attracted the attention of policy makers and society as a whole. According to the publication we are in a "New Age of Giving" that will continue to grow. Initiative-based grants are noted in this publication. The initiative-based grants require research prior to grant making so that the foundations can decide on exactly which initiative they want to support. Foundations are called to serve society and their communities with the greatest potential so that they can make a notable impact. The fact that many impacts turn out to occur in the long-run are noted. The field of Health Philanthropy has the potential to make a lasting impact on society as long as the correct knowledge and resources are used efficiently.

### **Establishing a Foundation**

Buchholz, Barbara. "Building a Sound Foundation." *Crain's Chicago Business*. 10 Sept. 2000. Web. <http://www.chicagobusiness.com/article/20000910/HOLD/100014980>

Insights on how to build a thriving and philanthropic private foundation are given in this article. The author looks to the success of Bill and Melinda Gates' foundation as well as other successful private foundations. Starting a private foundation may not be as easy as

it seems, and the article recommends setting aside funds for certain requirements for the operation of a foundation such as taxes and legal fees. Before foundations are established, the family or group of people should have clear goals for what they want to accomplish in their community. Ideas about how to determine these goals as well as the general plan for how to run the foundation are specified.

Community Catalyst. "Creating Community Responsive Philanthropy in Nonprofit Conversions." *Building and Maintaining Strong Foundations*. Community Catalyst, 2004. Web. [http://www.communitycatalyst.org/doc\\_store/publications/building\\_and\\_maintaining\\_strong\\_foundations\\_2004.pdf](http://www.communitycatalyst.org/doc_store/publications/building_and_maintaining_strong_foundations_2004.pdf)

This publication discusses how a community can get involved in the creation of a health philanthropy by addressing the issues that affect their community the most. Throughout this publication, tips for how to build and maintain a strong foundation are noted. The key components of a strong foundation are an engaging planning process, a mission statement, an experienced and diverse board of directors, and an organized structure where the public has a voice.

Meadows, Curtis. "Reasons to Form a Private Foundation for Family Giving." *National Center Family Philanthropy*. 2003. Web. <http://www.ncfp.org/topics/TopicsCommonPage?resourceItem=48f08683-94b4-4461-b810-24256d1249a3>

13 reasons why an individual or family should create a family foundation are provided. Some of the highlighted reasons include: "providing long term commitment to long-term issues", "provides hands on philanthropic involvement", and "provides greater structure within the process of giving".

National Center Family Philanthropy. "What Is a Private Operating Foundation, and When Should Families Consider This Option?" *National Center Family Philanthropy*. Apr. 2011. Web. [http://www.ncfp.org/resources/ask\\_the\\_center/private-operating-foundations](http://www.ncfp.org/resources/ask_the_center/private-operating-foundations)

This article gives the basis for private family foundations. Some private family foundations are created for managing programs for specific communities, while others are created to develop research opportunities. It names reasons for starting up a family

foundation such as to get involved with and serve in the community, administer activities that line up with one's specific philanthropic goals, and more. Information regarding the requirements on becoming a private family foundation is also listed. Examples of well-known and successful family foundations are given.

Stainburn, Samantha. "Is Now a Good Time to Start a Private Foundation?" *Crain's Chicago Business*. 25 Jan. 2010. Web.

<http://www.chicagobusiness.com/article/20100123/ISSUE02/100032960>

"Get into the giving game" quotes this article, while describing the popular idea of creating a private foundation. People start foundations after selling business, having their company go public, or inheriting a fortune. The article warns that starting a foundation may not be as easy as it sounds, especially given the fact that finances must still be kept track of and taxes must be filled annually. It recommends that throughout creating and running a foundation, legal advice must be taken constantly. Many other tips, precautions, and highlights about starting a private foundation are described in this article.

Walter, Timothy. "Why a Foundation?" *Association of Small Foundations*. \ 1 Oct. 2004. Web. <http://www.smallfoundations.org/about/members/importance/why-a-foundation/>

This article provides information on why a person, family, etc., should start a private foundation. The pros and cons of private foundations are described. Aspects such as size of foundation, impact, start up and operating costs and more are discussed as well. If a person decides they want to create a private foundation, the article gives the next steps to take.

## Operations

Brody, Francie, Kevin McQueen, Christa Velasquez, and John Weiser. "Current Practices in Program-Related Investing." *Council on Foundations*. 2002. Web.  
[http://www.cof.org/files/Documents/Family\\_Foundations/Financial-Management/Current-Practices-in-PRI.pdf](http://www.cof.org/files/Documents/Family_Foundations/Financial-Management/Current-Practices-in-PRI.pdf)

Program Related Investments (PRIs) are given by private foundations to organizations, usually not for profit, as an investment or loan. It must meet specific tax standards that are described in this article. The use of PRIs is becoming much more appealing to foundations, especially given the recent economy. Examples of the different types of PRIs are also described; however they can be used for almost any type of project. The benefits of PRIs are given and some include the leveraging of other funding, the ability of the PRI being "a recyclable, interest-bearing grant", and the principle and the income work towards charitable ends. Trends for the future of PRIs are explained as well.

Council on Foundations. "Stewardship Principles for Family Foundation." *Council on Foundations*. Sept. 2004. Web.  
[http://www.cof.org/files/Documents/Family\\_Foundations/Family\\_Stewardship.pdf](http://www.cof.org/files/Documents/Family_Foundations/Family_Stewardship.pdf)

This article provides a list of principles family foundations should follow in order to develop and operate a successful family foundation. The principles are tied to bringing the best possible aid and solutions to the community at need. Each of the principles has practice options described so that the family foundation can properly follow the principles. These are goals to strive for when running and evolving a foundation. The principles acknowledge the importance of creating multiple strategies as well as being open to communication from the public and other organizations.

Grant Makers in Health. "Communicating with the Community." *Grant Makers in Health*. Web.  
<http://www.gih.org/general.cfm?ItemNumber=4386>

It is the foundation's responsibility to share their information, resources, and impact with businesses, the government, and members of the community. By making others aware about their foundation, it is the hope that others begin to recognize the need for the foundation and the impact of the work they do. It is important for the community to see

the difference the foundation is making. The community should be involved in voicing their opinions and the foundation should listen. The foundation can seek the expertise of health professionals in the area as well as attend public hearings in the community.

Grant Makers in Health. "Foundation Operations: Grantmaking." *Grant Makers in Health*. Web. <http://www.gih.org/general.cfm?ItemNumber=4422>

Various documents and resources are provided by Grant Makers in Health on this site. Samples of documents that can be used for a private health-care foundation are provided so that grant makers can have an example of the correspondence they should have and provide for their foundation as well as to their potential grantees. Some of the document types include grant application form, conditions for grants, reports, award and decline letters, cash flow, and more.

Grant Makers in Health. "Taking Risks at a Critical Time." *Grant Makers in Health*. Mar. 2010. Web. [http://www.gih.org/files/usrdoc/Taking\\_Risks\\_at\\_a\\_Critical\\_Time.pdf](http://www.gih.org/files/usrdoc/Taking_Risks_at_a_Critical_Time.pdf)

During times of uncertainty, health foundations must be willing to take risks, despite the fact that they may be dealing with the loss of internal and external resources. The recent economic downturn forced many foundations to make tough decisions about potential sacrifices. This article presents the idea that it is necessary to take risks during uncertain times as they prove to have many more benefits than losses. It turns out that foundations who do not take appropriate risks come see the downside of their decision. Health foundations are called to look at the long-term impact of their decisions rather than the feelings of failure they have when looking short-term. A lesson to take from the article is that "taking risks means trusting communities and community organizations." These communities must be honest about their needs so that the foundation can take a risk and in the end make an impact.

Grant, Peter. *The Business of Giving: The Theory and Practice of Philanthropy, Grantmaking, and Social Investment*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2012. Print.

From book description: "The Business of Giving describes the systems and processes philanthropists need to adopt in order to achieve their goals. It provides a "toolkit" for philanthropic investment taking the reader through each stage of their decision making. Its techniques are equally applicable to whatever investment vehicle is being utilized from traditional grants to new products such as social bonds and impact investing. Unlike many texts on the subject, the tools and processes described have been used and tested across hundreds of different programs and in making thousands of investment decisions."

Horan, Jim. *The One Page Business Plan: The Fastest, Easiest Way to Write a Business Plan!* Berkeley, CA: One Page Business Plan, 2007. Print.

This is a book that describes how to develop a one-page business plan for a foundation. It also mentions the effectiveness of having a one-page business plan. The book description notes, "The One Page Business Plan has been called "The One Page Promise" because it helps directors, boards, management and volunteers clearly define and live up to their promises at organizational, departmental, project and program levels."

## **Financial Information**

Association of Small Foundations. "Developing an Investment Policy Statement." *Council on Foundations*. Winter 2011. Web.

[http://www.cof.org/files/Documents/Family\\_Foundations/Financial-Management/Developing-Inv-Policy-Statement.pdf](http://www.cof.org/files/Documents/Family_Foundations/Financial-Management/Developing-Inv-Policy-Statement.pdf)

Important information regarding how a foundation should develop a policy statement for investments is given. The investment policy statement is an important tool for board members as well as financial managers to have. Investment policy statements are necessary in order to achieve long-term investment plans and grant-making objectives. According to the article, a good investment policy statement will include investment objectives, risk/return profile, asset allocation, investment parameters, and performance goals. Understanding the financial goals of the foundation and how to get there are key

factors to the overall success of the foundation. Developing a thorough investment policy statement will tremendously help with achieving these goals.

Internal Revenue Service. "Private Operating Foundations." *Private Operating Foundations*. Internal Revenue Service (IRS), 1984. Web. <http://www.irs.gov/pub/irs-tege/eotopicn84.pdf>

This document from the Internal Revenue Service (IRS), defines what it is to be a private operation. Private foundations must administer their own philanthropy events and activities or provide grants to other charitable foundations. The advantages, with regards to taxes, are defined as well as the qualifications an organization must have to be called a private operating foundation.

Lurie, Theodora. "Moving Beyond the Money." *Philanthropy Awareness*. Web. <http://www.philanthropyawareness.org/sites/default/files/Moving%20Beyond%20the%20Money--Case%20Study%20Two.pdf>

Most new stories regarding philanthropic foundations deal with the money they provide to various causes. Although the funds they donate are wonderful for the community, knowledge about the foundations' missions, goals, and achievements are often left out. The point behind this article argues for increasing the knowledge about the foundations and their goals, rather than just the money they donate. Foundations should promote what they do and their impact in order to increase the support for their foundation. Specific case studies are given in this article that prove that increasing knowledge about the foundation and its impact, increases the support from the community and society at large.

## **Foundations Over Time**

Clancy, Ambrose. "Trading Power." *Council on Foundations*. 2010. Web. [http://www.cof.org/files/Documents/Family\\_Foundations/Next-Generation-Philanthropy/Trading-Power.pdf](http://www.cof.org/files/Documents/Family_Foundations/Next-Generation-Philanthropy/Trading-Power.pdf)

"18 interviews with philanthropic leaders who talk about what the next generation has to offer in exchange for what seasoned leaders can provide." As time is passing, sooner or

later the younger generation will need to take over the successful and thriving philanthropic foundations the previous generation has set up. There are many challenges philanthropic leaders face today, and many wonder how the leaders of the next generation will be able to deal with these challenges as well as other factors our society is dealing with, for example the current economy. The key to the success of a foundation is working together, and the future leaders need to recognize this. Working together is absolutely necessary for the decision making process foundations consistently face. The "online" idea is mentioned in the article, and current philanthropic leaders note that the next generation has the knowledge and abilities to take action on the internet and use this resource to their advantage. Another benefit of the next generation is their diversity, and current leaders predict that the diversity of grant making will tremendously increase. In order to find the future professionals and trustees with the greatest potential, effort and money are necessary.

Gersick, Kelin E., and Deanne Stone. *Generations of Giving: Leadership and Continuity in Family Foundations*. Lanham: Lexington, 2006. Print.

From book description: "Using detailed and comprehensive analysis, *Generations of Giving: Leadership and Continuity in Family Foundations* examines continuity and leadership over time within family foundations. Based upon a study of foundations in the United States and Canada that have survived through at least two generations, the authors ask probing questions, including: Why were the foundations started? What did they look like at the beginning? How did the families of the founders come to be involved? And how did they organize themselves to do their work from year to year, decade to decade?"