

privatefoundation NEWS

Staying in the know

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Joined Forces for
Balboa Park

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- Time to Move Your Family Foundation?

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contributors

Special thanks to:
 Bill Beamer, Lisa Betyar, David Cortney, Council on Foundations, Peter Ellsworth, Mary Helvie, Scott Lewis, Elizabeth Smiley, Patricia and Christopher Weil, Teresa Young.

Magazine team:
 Simona Valanciute, Editor-in-Chief
 Jackie Lackenbacher, Designer
 Arzo Mansury, Contributing Writer
 Felicia Shaw, Contributing Writer

For more information:
 The San Diego Foundation
 2508 Historic Decatur Road, Suite 200
 San Diego, CA 92106
givingteam@sdfoundation.org
 619.235.2300



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Dear Friends,

Throughout our 35 years of grant making and community work, we strive to celebrate the many partners who are critical to our success: nonprofit organizations, family foundations, corporate foundations, and grassroots civic groups. Without strong partners, we could not be effective.


We are excited to share with you our first Private Foundation News magazine, a resource published specifically for the charitably inclined families in the San Diego region who have established family foundations.

This magazine includes a little of everything – articles packed with information about tricky regulations, stories about collaborations between a variety of foundation models, ideas to engage the next generation in charitable giving, and more.


- We invite you to:
- **Open a scholarship fund** while continuing your grant making through your existing private foundation, as Pat and Chris Weil have done (article on page 12)
 - **Become a funding partner** with The San Diego Foundation for those projects that are simply too complex for any one of us, such as the Balboa Park project (article on page 8)
 - Continue your family traditions of giving and **simplify your life**. See pages 10 and 11 and consider transferring your family foundation to The San Diego Foundation, so we can take care of all of the administrative burdens.

There is so much information to share, and so many partnerships that can lead to better results for everyone. After reading Private Foundation News, we hope you feel better informed and have new ideas for your family foundation so it can run with more effectiveness and efficiency than ever before.

We wish you all the best in your critical work!



Jerry Hoffmeister
 Chair, Board of Governors 2010
 The San Diego Foundation



Bob Kelly
 President & CEO
 The San Diego Foundation

Did You Know

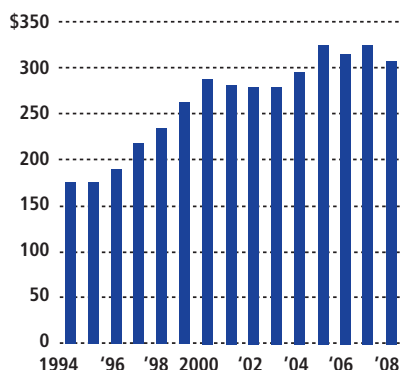
Figures & Facts

to keep you informed ...

- > **37,539** - number of family foundations nationwide.
- > **\$18.5 billion** - total grants by family foundations nationwide in 2008. Foundation Center reports that inflation-adjusted family foundation giving has more than doubled in the last 10 years. Larger family foundations continue to be more likely to provide funding for health and education.
- > **94%** of San Diego private foundations hold assets of less than **\$10 million**.
- > **53%** of San Diego private foundations hold assets of less than **\$500,000**.
- > **\$2.29 billion** - combined San Diego region's private and community foundation assets. To put it in perspective, California's other major urban regions report that San Francisco has a total of **\$31.3 billion** and Los Angeles has a total of **\$34.7 billion** in philanthropic assets.
- > **28%** of San Diego-based foundations directed their grant making dollars to nonprofits located outside of the region.

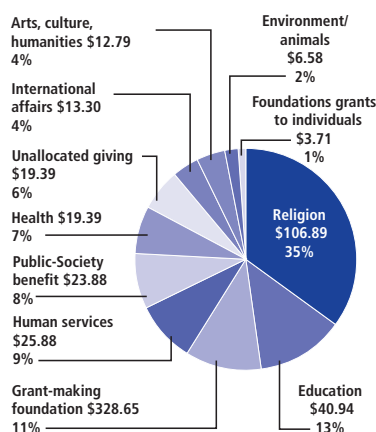
TOTAL GIVING

Charitable contributions in the U.S. have generally trended up. However, in 2008 they suffered the biggest drop in four decades. (Overall donations, in billions of 2008 dollars)

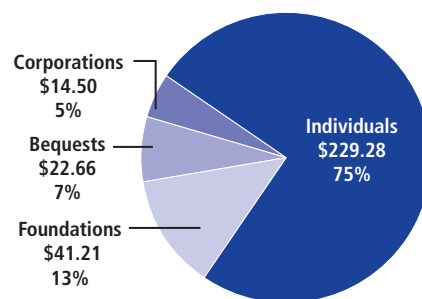


WHERE IT GOES

Charitable giving by type of recipient for 2008 (dollars in billions)



CHARITABLE GIVING BY SOURCE



Data sources: Foundation Center's Statistical Information Service, San Diego Grantmakers, University of San Diego, and The San Diego Foundation

GOT SPACE?

The San Diego Foundation offers use of its conference facilities at no cost to all family foundations that serve the common good of the San Diego region and beyond.

Meeting Rooms: Six meeting and conference rooms accommodate small and large groups of up to 60 people.

Audio/Visual Technology: Digital video projection, audio and video conferencing, wireless internet access and PC inputs.

Office Locations: Point Loma, Solana Beach and Rancho Bernardo.

To book a meeting room, contact the Family Foundation Services team at GivingTeam@sdfoundation.org, call **619.235.2300** or visit www.sdfoundation.org/privatefoundations



HOW FAMILY FOUNDATIONS GET INTO TROUBLE

TOP TEN LIST

1. SELF-DEALING

What is self-dealing?

The use of foundation assets to enter into any financial transaction between the foundation and a disqualified person. Types of self-dealing transactions include the sale, exchange or lease of property, loans, extensions of credit, payments to government officials satisfying pledges, furnishing goods or services, and more.

What are the penalties?

Penalty on self-dealing is now 10% of the amount involved. Penalty on the foundation manager is now 5%.

Who are Disqualified persons?

- Directors, Officers, Trustees
- Foundation managers (such as an executive director)
- Substantial contributors to the foundation (\$5,000 and two percent rule)
- Family members of the persons above, such as ancestors, spouse, children (and their spouses), grandchildren (and their spouses)

What are some examples of self-dealing?

- The foundation loans money, or furnishes goods or services to a disqualified person
- The foundation pays rent to a disqualified person, even if it is below market rate
- The foundation pays excessive compensation to a disqualified person
- A foundation trustee uses the foundation's office for meetings unrelated to the foundation business

Can we pay rent to a family member for use of their offices?

No. The payment of rent would be self-dealing, even if it is below market rate. The only exception is if rent is \$0 (any utilities and other costs must be paid to a third party, not to the family). Sharing office space is allowed where space is owned by an unrelated party, but the risk of inadvertent self-dealing remains.

Can we approve a grant to a school where one of our trustees is a paid executive?

Yes, provided the trustee receives no tangible, economic benefit from the grant.



2. SATISFYING PERSONAL PLEDGES

What is the rule for personal family pledges?

It is self-dealing for a foundation to pay a legally binding debt (a "pledge") of a disqualified person.

What is a legally binding pledge?

A legally binding pledge is a clear promise to pay that can be enforced in court.

A family trustee personally pledged to give to the local PBS but now would like to use a foundation grant to satisfy the pledge instead of her personal funds. Can we do this?

No. A pledge is a private obligation to pay, and the foundation cannot fulfill a personal obligation of its trustees or other disqualified persons.

A family trustee pledged to a local charity that the foundation would make a grant but did not check with the other trustees first. Can we use foundation assets to satisfy this pledge?

This would no longer be an act of self-dealing because it is not a personal pledge. It would be up to the foundation to decide whether to approve a grant that was pledged by a trustee without prior board approval.

3. ATTENDING FUNDRAISERS

What should we know about ticketed events?

Typically, where goods or services are received in exchange for the price of the ticket, the foundation and its disqualified persons would be receiving a tangible, economic benefit by using the tickets. If paid for by the foundation, this would be an act of self-dealing.

Can I avoid self-dealing by personally paying for the value of the goods/services received and having the foundation pay the charitable portion?

No. The splitting of the cost, also known as “bifurcating,” is also treated as self-dealing.

What if I must attend a ticketed event to monitor the grantee’s use of a recent grant from my foundation?

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.

Can I avoid self-dealing by giving the tickets to my daughter-in-law? My neighbor?

You will still be committing an act of self-dealing as your daughter-in-law is a disqualified person. While giving the tickets to an unrelated person, such as a neighbor, would not be self-dealing, you would be using foundation assets for a non-charitable purpose. The IRS frowns on use of charitable assets for private benefit.

What should I do with tickets in my possession?

It is typically safe to give the tickets back to the organization or to another charity. This is a matter best addressed before it happens, in the foundation’s conflict of interest policy.

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

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

4. HIRING FAMILY MEMBERS AS STAFF

What do I need to know about family members and compensation?

Generally, you can hire family to work for the foundation and pay them a reasonable salary or fee for performing what the IRS describes as “personal” services that are necessary for the operation of the foundation.

What are personal services?

The IRS specifically includes legal, accounting, banking, and investment services as “personal services.” Real estate management, interior design, and IT are not included.

How do I determine what is reasonable compensation?

Look at what similar foundations pay similar persons for comparable services. For comprehensive data, refer to Council on Foundation’s *Grantmakers Salary and Benefits Report* which lists information for community, private, public, and corporate foundations.

5. BOARD COMPENSATION

What should I know about paying my board?

Simply put, reasonable fees for necessary board services are permissible. However, research shows that most foundations do not compensate their board members.



Can out-of-pocket expenses be reimbursed?

Yes, provided the expenses are reasonable and necessary for carrying out foundation work.

How do I determine what is reasonable?

Similar to the rules for compensation of family members as staff, you can look at what other foundations of similar size are paying.

6. PAYING TRAVEL EXPENSES FOR FAMILY

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 or the travel expenses paid are treated as income to the foundation manager for the person in question.

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

It depends. 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 costs of the dinner.

7. GRANTS TO INDIVIDUALS

Are there any special rules for grants to individuals?

Yes. The grant must be for a charitable purpose and cannot be made to any disqualified persons. Grantee selection procedures must be preapproved by the IRS if the foundation is making the selection. Grants must be made on an objective and nondiscriminatory basis and the number of potential grantees must be broad enough to be considered a "charitable class."

Are we allowed to make grants to the college-bound members of our family?

No. Using foundation assets to make grants to people related to the family is a violation of self-dealing if the grants are to disqualified persons. While grants to extended family may not be self-dealing, requiring membership in a particular family may not be objective or broad enough to be considered charitable by the IRS.

Can we grant prizes or awards to recognize a remarkable achievement?

Prizes or awards that only recognize past achievement, have no strings attached, and are not earmarked for travel or study are charitable and do not require advance IRS approval.

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

Generally, the travel/study rules do not apply if the private foundation leaves the entire selection process up to the public charity or learning institution.

8. GRANTS TO NON-CHARITIES

Can we make grants to organizations that are not charities?

Grants to non-charities are permissible, as long as the grant is for a charitable purpose, and the foundation follows special rules called "expenditure responsibility."

Expenditure Responsibility

The five basic steps for completing expenditure responsibility are not that different from standard grantmaking procedures.

1. Pre-grant inquiry. The foundation must make a reasonable investigation of the grantee to make sure that the grantee is capable of performing the charitable activity that is to be funded.

2. Written agreement. A written agreement that specifically sets out what charitable activities are to be accomplished with the funds to be granted must be signed. The agreement must also contain certain limitations, such as prohibiting the use of any of the funds for lobbying.

3. Separate account. Unless the grantee is another private foundation, the grantee must establish a separate account for the funds. Charitable dollars cannot be commingled with noncharitable dollars.

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 which the funds are earmarked.

5. Report to IRS on the tax return. When filing the Form 990-PF tax return for any year in which a payment for an expenditure responsibility grant is made, the foundation must indicate that expenditure responsibility payments were made and must add a schedule to the form with a brief description of each grant.

9. USING A FISCAL SPONSOR

What is a fiscal sponsor?

As a grantmaker, you may wish to support charitable projects or work of groups that do not have 501(c)(3) charitable status. It is common for a 501(c)(3) public charity to serve as an intermediary between donors and the non-charity.



What are the rules for using fiscal sponsors?

Grants to fiscal sponsors are usually safe when the grant has not been earmarked and the fiscal sponsor has complete control over the way the funds are granted.

10. INTERNATIONAL GRANTMAKING

Can we make grants outside the U.S.?

Family foundations can safely grant to non-501(c)(3) organizations outside the U.S. as long as they follow one of two special sets of procedures:

What are the rules for making an Equivalency Determination?

"Equivalency Determination" is a good faith judgment that the non-U.S. grantee is "the equivalent" of a U.S. public charity. The foundation may make such a determination based on either an affidavit or an opinion of counsel that the grantee is a public charity.

What kind of documentation is sufficient?

The file should be thorough enough so that the IRS will be satisfied that the determination was reasonable. Whether the foundation uses legal counsel or seeks to obtain an affidavit from the grantee, it is likely to need the following:

1. Organizational Documents. Articles of incorporation, charter, certificate of incorporation, or similar names. Bylaws (the organization's internal governing rules) should also be obtained.

2. Purposes and Activities. A detailed description of the purposes and activities of the grantee.

3. Distribution of Assets. A copy of relevant statutory law or provisions in the governing instrument, stating how the assets of the grantee will be distributed if it ceases to exist.

4. Limitations. The grantee must also demonstrate that none of its assets or income will provide a private benefit to individuals, its non-charitable activities or legislative lobbying are and will be insubstantial, and it will not participate in any political campaigns.

5. Financial Data. Detailed financial data for several years for organizations that are not religious, educational, or medical institutions.

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



For more information, contact our Family Foundation Services team at GivingTeam@sdfoundation.org, call 619.235.2300 or visit www.sdfoundation.org/privatefoundation



Or.....Simplify your life with The San Diego Foundation



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HOW THREE FOUNDATIONS JOINED FORCES FOR BALBOA PARK

For nearly a century, San Diego's Balboa Park has been a source of pride and inspiration for San Diegans and the millions who visit every year. Covering 1,200 acres with over 85 cultural, conservation, and recreation organizations, Balboa Park ranks as one of the most significant parks in the nation. Yet, with increasing visitation and shrinking City budgets, preservation of the park's grounds, buildings, and infrastructure is extremely difficult to maintain.

In 2007, The Legler Benbough Foundation commissioned a report from The Trust for Public Land in Washington DC to examine the needs and the resources of Balboa Park. The report, *The Soul of San Diego: Keeping Balboa Park Magnificent in its Second Century*, was released in January of 2008. The report found that a minimum of \$238 million was needed to catch up with deferred maintenance. The report was released at a time of significant financial deficits in the City which made any sustainable support for the park difficult.

Among this growing concern, a philanthropic partnership consisting of The Legler Benbough Foundation, The Parker Foundation, and The San Diego Foundation was formed to provide support for the City's efforts to examine governance and financing of Balboa Park.

"All three foundations care deeply about Balboa Park; and over the years, each of our three foundations have invested significant dollars into the care and maintenance of the park."

*Bill Beamer,
a trustee of the Parker Foundation*

Following the report, Mayor Sanders requested that the City's longstanding Balboa Park Committee review the report and hold a year-long due diligence and public input process to further inform key decision makers. The three-foundation-partnership provided financial and personnel support to the task force.

In December 2008, the Balboa Park Committee released its recommendations in a report entitled, *The Future of Balboa Park: Funding, Management, and Governance*. In 2009, a new phase of due diligence was launched when Mayor Jerry Sanders and City Councilman Todd Gloria announced the development of a task force formed to engage the public in the creation of a nonprofit that will oversee the management and fundraising needs of Balboa Park into the future. The foundation partnership is continuing to provide

support to this effort. This is the first time a community foundation, a supporting foundation and a private foundation joined forces to provide support for public issues of this complexity.

How did this partnership begin and why is it effective? We sat down with Bob Kelly, Pete Ellsworth, and Bill Beamer to find out. "Pete's leadership was key in this case," said Bob Kelly, President & CEO of The San



Mayor Jerry Sanders and San Diego City Councilman Todd Gloria announcing the development of a task force.

Diego Foundation. “Bill, Pete and I have known each other for quite a few years, which helped from the first conversation to the last. A brand new relationship and a new partnership would have taken much longer to get this done.”

Pete Ellsworth agreed. Having initiated many trips to City Hall and having facilitated many meetings on behalf of the Benbough Foundation, Pete realized that “I needed a stronger army if I was going to provide the kind of support that would be needed.”

Bill Beamer, a trustee of the Parker Foundation, chimed in. “All three foundations care deeply about Balboa Park; and over the years, each of our three foundations have invested significant dollars into the care and maintenance of the park. Yet, there came a time when we realized we needed to pull together and figure out not only where we should go in the future but also how deeply in trouble we are now.”



THE FUTURE OF BALBOA PARK

This story is just one example of how we can leverage investments and make a greater community impact by working together. While the Balboa Park Task Force continues its due diligence to develop long-term governance solutions, there is much to be accomplished right now. The Balboa Park Trust Committee of The San Diego Foundation is seeking funding partners for the following projects that will ensure that the park will flourish in the future:

1. Renovation of the **Children's Playground** located on 6th Avenue and Upas Street:

- Phase I - renovate the playground equipment - \$25,000;
- Phase II - renovate the restroom and the adjacent children's garden - \$2,000,000.

2. Revitalization of the historic **Botanical Building**:

- Repair four water features in the Botanical Building - \$100,000;
- Renovate the orchid collection greenhouse - \$17,000;
- Replicate and replace the historic benches - \$15,000;
- Add museum quality signage and educational panels - \$50,000.



To become a funding partner for any of the above or to discuss the potential of a different Balboa Park enhancement project, contact Felicia Shaw, Director of Arts and Culture, at Felicia@sdfoundation.org or 619.235.2300

Time to move Your Family Foundation?



Recently many families have decided to move their private foundations into family foundations at The San Diego Foundation. Here are some of the questions they asked before deciding to simplify their lives.

Can I keep my own family foundation's name?

Yes, family foundations may keep the same name (e.g., John and Jane Brown Family Foundation).

Can I keep my family members involved?

Yes, your board of trustees may remain the same.

Is my foundation's information confidential at The San Diego Foundation (TSDF)?

Yes. While all private foundations' tax returns are public information easily obtainable on websites, a family foundation at TSDF can be completely anonymous. You decide which grants to the community are public and which ones remain anonymous. No one can get information concerning your foundation's asset size, trustee names, etc. TSDF files its 990 as a compilation of more than 1,600 foundations under its umbrella.

Is there a tax benefit for transferring my family foundation to TSDF?

Yes. New gifts to your foundation at TSDF will provide the donor with a much better tax deduction.

Do I have to keep adhering to the private foundation 5% mandatory payouts?

No. Private family foundations are legally bound to distribute 5% of their total assets to charity annually, but having your foundation at TSDF waives such requirement.

Can I keep my broker and investment manager?

Foundations with assets of \$1 million or more may keep their current investment managers.

What services do I get from TSDF?

All funds and foundations at TSDF have the option to receive a variety of services without any extra charge. These include financial reporting, investment management, grantmaking, philanthropic planning, scholarship design, marketing, and overall administration of the foundation.

Can I give specific instructions for my family's successor generations?

Yes. TSDF will document and honor your specific wishes for generations to come.

What if my family members live across the country and/or the world?

TSDF is very flexible. Advisors can access their foundation's information online. Grants may be recommended to any qualified charities across the United States. We can also help you with international grants.

What are the minimums involved?

The minimum amount to start a foundation is \$10,000. The minimum grant is \$250.

Can I talk to someone who has transferred their family foundation to TSDF?

Yes. We are happy to provide references.

Who can I call to discuss further?

Our Family Foundation Services team will be happy to provide you with more information. Please call 619.235.2300 or email GivingTeam@sdfoundation.org



How to Simplify Your Life

For most of us, comparing options is easiest side-by-side. The chart below highlights 16 categories and the facts in each category that can make your life easier, while continuing your family foundation's traditions.

	Stand-Alone Private Foundation	Family Foundation at The San Diego Foundation
Starting the Fund or Foundation	Nonprofit corporation created by donor	Established at The San Diego Foundation
Start-up Costs	Similar to establishing 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 The San Diego Foundation
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 full market value and up to 30% of adjusted gross income
Privacy	Tax returns are public records. They are compiled into grantseeker directories and available on the internet	Availability of information is at donor's discretion
Fiduciary Responsibility	Board has full fiduciary responsibility	The San Diego Foundation fulfills the associated fiduciary responsibilities
Payout Requirements	Must pay out 5% of asset value annually regardless of annual income	Do not apply
Self-Dealing Rules	Strict regulations prohibit most transactions between a private foundation and its donors (including related persons or corp.)	Private foundation self-dealing rules do not apply
Donor Involvement	Donor retains control over investments and grantmaking, subject to IRS requirements	Donor makes advisory grant recommendations. Final decisions rest with The San Diego Foundation
Administrative Concerns (Personnel, facility, gift and grant management)	Must establish and/or obtain these services	Services provided by The San Diego Foundation with personalized services available
Grant making Support	Must hire staff or consultant	Full service grant making research, analysis monitoring, and follow up
Administrative Costs	Administration can be costly	Minimal (0.5% - 2.0%)
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



For more information, contact our Family Foundation Services team at GivingTeam@sdfoundation.org, call 619.235.2300 or visit www.sdfoundation.org/privatefoundations

Interview with Patricia & Christopher Weil

Patricia & Christopher Weil of the Patricia & Christopher Weil Family Foundation sat down with Arzo Mansury, Director of the Scholarship Program at The San Diego Foundation, to talk about the joys and benefits of establishing scholarship funds at The San Diego Foundation.

ARZO: What motivated you to assist students with their education?

WEILS: Both of us were the first in our families to graduate from a university. We know what a difference it made in our lives, so we are motivated to help provide others this opportunity, particularly where university attendance might otherwise be difficult or impossible.

ARZO: You've established two scholarship funds at The San Diego Foundation. Tell us about them.

WEILS: We set up the MKC Scholarship to help Preuss School students. This scholarship is named after our children - Matthew, Kit, and Caitlin. We wanted the entire family to experience being scholarship donors. A few years later we expanded our scholarship offerings by opening another scholarship fund to help San Diego City College students.



Matthew, Patricia and Christopher Weil

SNAPSHOT

ARZO: Why did you set up those scholarship funds at The San Diego Foundation instead of handling them through your private foundation?

WEILS: After doing a bit of research, we quickly learned that administering a scholarship program is very complicated. There are a lot of IRS rules to consider and the management is intense. We just want to enjoy awarding scholarships and not deal with the administrative details.

ARZO: How are you enjoying the experience of being scholarship donors?

WEILS: We offer four-year renewable scholarships, so we have had the opportunity to stay connected with many of our recipients. It has been a delight to watch so many of them grow and develop.

ARZO: How do you feel about the scholarship services offered by The San Diego Foundation?

WEILS: We have found The Foundation staff responsive to our needs. They are proactive and competent in the execution of the tasks associated with scholarship provision and administration.

ARZO: What advice would you give other private foundations about offering a scholarship through The San Diego Foundation?

WEILS: Use The San Diego Foundation and relieve yourself of half the duties of running a scholarship program. You do what you're good at, running the front office. They do what they're good at, running the back office.



To find out more about how you can make a difference, call Arzo Mansury, Director of Scholarships and Teachers' Fund, at Arzo@sdfoundation.org or call 619.235.2300



Patricia and Christopher Weil

The Patricia & Christopher Weil Family Foundation:

- Established in 1998
- \$112,768 granted in 2008
- \$833,582 granted since inception
- Broad grant making

Scholarship established by Patricia & Christopher Weil at The San Diego Foundation:

- Established in 2003
- \$626,321 scholarships awarded to 92 students since inception

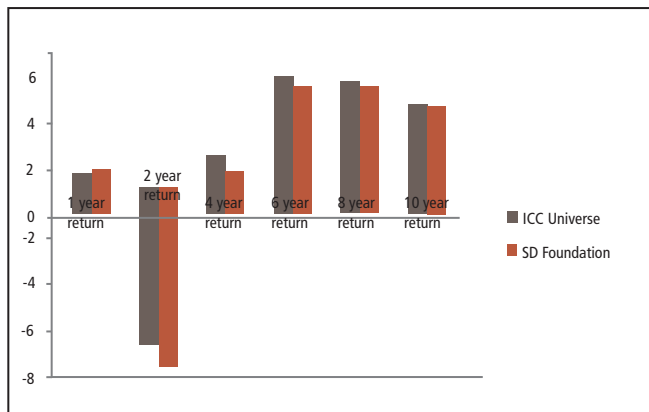
The San Diego Foundation's Scholarship Program

- Largest provider of scholarships in San Diego County
- Established in 1997
- Over \$25 million in scholarships assets
- Over \$15 million in scholarships distributed
- Over 145 scholarship funds



Christopher and Patricia Weil with 2009-2010 scholarship recipients

SHOULD YOU BE WATCHING *The Investment Universe?*



To obtain a copy of the Council on Foundations report or to learn more, contact Duane Drake, Chief Investment Officer of The San Diego Foundation, at Duane@sdfoundation.org or call 619.235.2300.

The San Diego Foundation believes in building permanent endowment funds for the benefit of the San Diego region, and it takes its investment responsibilities seriously. The Foundation benchmarks success by comparing its endowment returns against two indexes called "Endowment Universe":

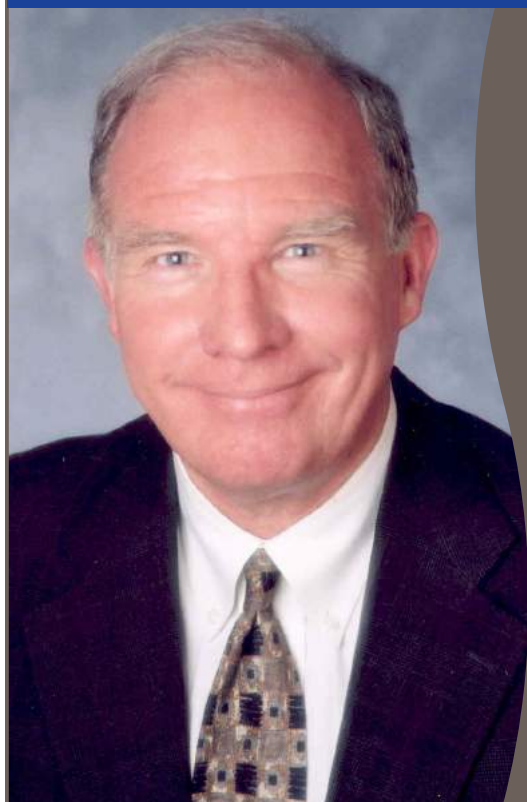
ICC Endowment Universe is comprised of approximately 233 funds with \$200.2 billion in assets. (Source: *Wurtz & Associates, 2009*)

Community Foundation Universe includes 200 foundations and 221 portfolios, representing approximately 47% of the community foundation universe with assets of more than \$5 million and approximately 60% with assets of more than \$25 million. (Source: *Council on Foundations, 2009*)

A few highlights from the 2009 report:

- Percentage of foundations with an allocation to hedge funds rose from 26% in 2002 to 62% percent in 2008. In addition, 81% of community foundations had an allocation to one or more alternative asset classes (hedge funds, private equity, real estate, real assets, etc.).
- International equity exposure has risen significantly during the past ten years, from 6% of total portfolio assets to 16.5% of total portfolio assets.

MEET OUR FAMILY FOUNDATION SERVICES TEAM



Duane Drake

Chief Investment Officer, Senior Vice President, The San Diego Foundation

As CIO, Duane is responsible for investment policy and oversight at The Foundation, which includes over \$450 million of charitable assets under management. Duane is a well-respected resource for donors, family and corporate foundations as well as peers in the community foundation sector.

Contact Duane to learn more about investments and real estate gifts.

For all other questions, contact our Family Foundation Services Team:



Adrienne Vargas
Family & Corporate Foundations



Simona Valanciute
Family & Corporate Foundations



Amy Walling
Charitable Trusts and Annuities

GivingTeam@sdfoundation.org • 619.235.2300 • www.sdfoundation.org

Philanthropy and Our Children:

How to Share the Importance of Giving with the Next Generation



Philanthropy is a value learned at a young age. To teach our children about philanthropy is to ensure that the things we hold dear in our communities continue to flourish well past our lifetimes. It is also a way to share and create understanding about the joy that comes with giving.

There are many ways to help children discover the importance and benefits of giving.

A few suggestions to get you started are:

1. Be a role model, a volunteer, and a donor.
2. Show kids the way. Take them with you to volunteer. Talk to them about your donations.
3. Make giving a year-round project, not just something to do at the holidays.
4. Start now. The earlier you teach the habit of giving, the easier it will be to sustain.
5. Expect your children to serve and give.
6. Let children decide what projects to support with their money and time.
7. Teach them to manage money.
8. Praise them for their philanthropic actions.

Be creative, diligent, and constant about teaching children the importance of giving. It will not only benefit your family but also your community as a whole.

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



For more information, contact our Family Foundation Services team at GivingTeam@sdfoundation.org, call 619.235.2300 or visit www.sdfoundation.org/privatefoundations

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

cf

NATIONAL STANDARDSSM

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



The San Diego Foundation was the first community foundation in the San Diego region to receive this Seal of Approval.



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

All foundations must file annual 990 forms with the IRS, which 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. Truly, there is nothing private about a private foundation. For more, go to: www.GuideStar.org and www.TaxAnalyst.com



The San Diego Foundation
A foundation for your passion

For more information contact the Family Foundation Services team at GivingTeam@sdfoundation.org, 619.235.2300 or visit www.sdfoundation.org

There's Power In Numbers

Thank you!

To all the professional advisors who have recommended The San Diego Foundation to valued clients, we thank and congratulate you.

By opening a fund with us, your clients have chosen to support the causes they most care about, while taking advantage of favorable tax treatment. More than \$600 million has been granted into the San Diego region over the past 35 years, making our community a better place to work, live and play.



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Law Offices of David C. Anderson, APC
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Hinchy, Witte, Wood & Anderson, LLP
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Attorney at Law
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Genevieve Chesnut, Inc.
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Law Office of Paul Cheverton

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Financial Focus
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Law Office of Karen M. Ladner

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Newnham & Weston, LLP
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Newton & Associates
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Law Office of Nancy A. Spector
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Foster Walsh LLP Tracy A. Weldon
Law Office of Tracy A. Weldon
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