

FOUNDATION ADVISOR



Inside this issue:

Professional Advisors Seminar	1
Charitable IRA Rollovers	1
Grants, Endowment Funds	2
Form 990 Changes	2

PROFESSIONAL ADVISORS SEMINAR

The Fairfield County Foundation is pleased to offer

Charitable Giving Update—

The Changing Landscape for Charities and Charitable Giving

Tuesday, October 23, 2007

Lunch will be provided at 12 noon. Program held from 1:00 p.m.-2:30 p.m.

Limited seating—Reservation required by Wednesday, October 17, 2007

Teleconference will be presented by nationally renowned estate planning attorneys **Roy M. Adams and “Clary” Redd**. In this program, Roy and Clary will address:

- How doing the “right thing” may lead to the wrong result under changing rules.
- Why the possibilities for disallowance of a charitable deduction and loss of a charity’s tax-exempt status have increased.
- Planning strategies for charitable giving that continue to reflect innovation.
- Why private benefit from charitable contributions is a giant “no-no.”
- How those who advise charities and their donors should themselves be following the new rules for compliance.

Approved for continuing education:

CPAs: 1.5 hours CFPs: 1.5 hours CTFAs: 2 hours Attorneys: 1.25 hours

Teleconference will be held at Fairfield National Bank conference room,
143 West Main Street, Lancaster, Ohio 43130

There is no charge for this teleconference, but reservations are required.
Call 740-654-8451 to make your reservation.

Charitable IRA Rollovers—Time is Running Out

An IRA owner, age 70 ½ or over, can directly transfer tax-free, up to \$100,000 per year to an eligible charitable organization. This option is available through tax year 2007. Eligible IRA owners can take advantage of this provision, regardless of whether they itemize their deductions. Distributions from employer-sponsored retirement plans, including SIMPLE IRAs and simplified employee pension (SEP) plans are not eligible.

To qualify, the funds must be contributed directly by the IRA trustee to the eligible charity. Amounts so transferred are not taxable and no deduction is available for the amount given to the charity.

Transferred amounts are counted in determining whether the owner has met the IRA’s required minimum distribution rules. Where individuals have made nondeductible contributions to their traditional IRAs, a special rule treats transferred amounts as coming first from taxable funds, instead of proportionately from taxable and nontaxable funds, as would be the case with regular distributions.

(Source: www.irs.gov)

To make a charitable IRA rollover to a fund at the Fairfield County Foundation prior to December 31, 2007, please call our office.

Not all charities are eligible under this provision. For example, donor-advised funds and supporting organizations are not eligible.

FAIRFIELD COUNTY FOUNDATION
162 E. Main Street
Post Office Box 159
Lancaster, Ohio 43130
740-654-8451
Fax: 740-654-3971
www.fairfieldcountyfoundation.org



FAIRFIELD COUNTY FOUNDATION

Amy Eyman,
Executive Director
aeyman@fairfieldcountyfoundation.org

Penny Wasem,
Financial Officer
pwasem@fairfieldcountyfoundation.org

Mindy Farrow,
Office Manager
mfarrow@fairfieldcountyfoundation.org

Fairfield County Foundation - Helping You Build a Better Community

Do you sit on boards of nonprofit organizations, or have nonprofit organizations as clients?

The Fairfield County Foundation is dedicated to providing a broad spectrum of services to nonprofit organizations who work to improve our region's quality of life. These include:

- awarding grants,
- managing endowment funds for nonprofit organizations to help encourage long-term growth and financial stability,
- helping to build not-for-profit endowments through a legacy gift assistance program,
- sharing our knowledge of community issues, opportunities and resources.

The beneficiaries of grants must be recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code or be a government agency.

The next grant cycle is approaching soon. To apply for a grant, complete the Preliminary Grant Proposal Form and submit it by **Wednesday, August 15, 2007**. Applications are available on our website at www.fairfieldcountyfoundation.org or may be picked up at our office.

If our Grants Committee confirms that your project fits within the Fairfield County Foundation's guidelines, submit a Grant Proposal by **Wednesday October 3, 2007**.

To establish an endowment fund at the Fairfield County Foundation, please call our office at 654-8451.

Form 990 Changes Coming Soon

Redesigned Form 990: The Internal Revenue Service released for comment and discussion a draft Form 990, the annual return required to be filed by tax-exempt organizations to report information about their operations. The IRS hopes to have the form ready for use for the 2008 filing year (returns filed in 2009).

The redesign of Form 990 is based on three guiding principles: 1) Enhancing transparency to provide the IRS and the public with a realistic picture of the organization; 2) Promoting compliance by accurately reflecting the organization's operations so the IRS may efficiently assess the risk of noncompliance; and 3) Minimizing the burden on filing organizations.

The form, instructions and background material explaining the principles underlying the redesign of the form are available on the exempt organizations portion of the IRS website.

New Annual Requirement for Small Tax-Exempt Organizations: Beginning in 2008, small tax-exempt organizations that previously were not required to file returns may be required to file an annual electronic notice, Form 990-N. This filing requirement applies to tax periods beginning after December 31, 2006. Organizations that do not file the notice will lose their tax-exempt status. This applies to small tax-exempt organizations whose gross receipts are normally \$25,000 or less. The IRS will mail educational letters starting in July, 2007 notifying small tax-exempt organizations that they may be required to file the e-Postcard.

(Source: www.irs.gov)

The Pension Protection Act of 2006 requires the IRS to revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years.

Note: Solutions differ from case to case. This newsletter does not constitute professional financial, tax, or legal advice.

For a copy of our Professional Advisor's Manual, visit the Professional Advisor's section of our website. www.fairfieldcountyfoundation.org