

A GUIDE TO NAMING YOUR FOUNDATION

Choosing a Name That Reflects Your Intent

For many philanthropists, the question of what to name the foundation raises personal and potentially profound issues about motivations and aspirations. Do you want your foundation to bear your family name, forging a link between your philanthropy and your heritage? Would you prefer a name such as The Foundation for Child Welfare that emphasizes your mission instead of your identity? You might find that this relatively straightforward and necessary assignment, to pick an official name for your foundation, sets the tone for subsequent decisions.

Before you get started, you should know that there are some ground rules for the name game: The names of private foundation corporations (including public charities and for-profit companies) are regulated on a state-by-state basis, so where you choose to incorporate is important. For example, Delaware, a preferred state of incorporation, requires that both for-profit and nonprofit corporation names end in one of the following 16 words or abbreviations: Association, Company, Co., Corporation, Corp., Club, Foundation, Fund, Incorporated, Inc., Institute, Limited, Ltd., Society, Syndicate, or Union.

Most states will not allow two corporations to have the same official name. Corporate names are given out on a first-come, first-served basis, although some states have a mechanism to reserve a name for a period of time. Even if your preferred foundation name is already spoken for, there is still the possibility that you could use the name of your choice under the concept of "doing business as," sometimes also called a trade name.



Aside from these basic constraints, there are other important considerations that may influence your choice.

FAMILY AND LEGACY

The majority of private foundations are named after the founders. After all, donors appreciate public acknowledgment for their philanthropic largesse. If you'd like your foundation to be part of your personal legacy, and you'd like to encourage your social and professional circle to donate to the causes you champion, naming the foundation after yourself or family is an obvious choice.

There are, however, additional reasons and benefits for choosing a family name. A donor may wish to associate his or her family name with a particular cause. The Rockefeller family, for example, is well recognized for their patronage of the arts. Similarly, The Kaiser Family Foundation is closely associated with public health. A report or public service announcement sponsored by the Kaiser Foundation carries with it enhanced credibility, a 'seal of approval' so to speak. And while Bill Gates, the founder of the Bill and Melinda Gates Foundation, was already well known for his business accomplishments, thanks to the foundation, his name is now associated with eradicating tropical diseases in the developing world.

Some foundations opt to have the name include its philanthropic mission (for example, Save the Polar Bear Foundation). In such cases, not only is the foundation's purpose made clear to everyone who encounters it, but it also helps to discourage irrelevant grant requests and focus board members on core values. And when a foundation name is linked to a cause over many years, the association strengthens, becoming virtually synonymous. Eventually, the public will associate the cause with the foundation, raising awareness of the issue while elevating the profile of the foundation as its patron.



Your foundation can bear your family's name, or its name could incorporate the cause you champion.

Donors who want to preserve a degree of anonymity often choose generic foundation names that offer no identifying clues.

Philanthropic families may also want to directly associate their name with a given cause or issue. Not only is it a way to honor the family's legacy, but it is also a means of passing on the family's values to future generations. A child who grows up hearing how her family's foundation has made valuable contributions to the fight against homelessness is more likely to embrace and continue that tradition. Similarly, a "rags-to-riches" businessman who credits his success to his college degree may pay tribute to higher education by naming his foundation the Nichols Family Fund for College Achievement.

CREATIVE NAMES

Increasingly, donors are taking more creative approaches to the naming process, deliberately shifting the emphasis away from themselves. For example, the Mathenaum Foundation seeks to encourage children's enthusiasm for math, and The Fledgling Fund "gives wings" to documentary filmmakers who raise public awareness of important social issues.

ANONYMOUS NAMES

Some donors choose foundation names that reflect their desire for anonymity. Whether motivated by religious reasons or a desire to avoid undue attention, a name that doesn't directly associate you with a philanthropic foundation can help you maintain privacy and reduce solicitations. As one client who prefers to give anonymously puts it, "I don't like wondering if people are really befriending me or my private foundation."



Donors who want to distance themselves from their foundations often choose generic foundation names that offer no identifying clues. For example, one client named his foundation after a creek near the family's vacation home; another has taken the initial sounds of her three children's names and put them together to create a word. And a recent search of the IRS database for grantmaking foundations yielded three "anonymous" results: The Anonymous Foundation, The Anonymous Fund, and The Anonymous Trust.

Of course, vague foundation names can't provide true anonymity because the identities of board members and substantial contributors are a matter of public record, reported on the foundation's annual tax return. However, although these documents are accessible via the Internet, they aren't easy for a layperson to locate or understand. Those seeking absolute anonymity should be cautioned that foundations that take great pains to avoid attention can, ironically, arouse even greater curiosity and scrutiny.

Although most foundations are named for their founders, there are plenty of other options, including:

- **Invented or creative names**
- **Place names**
- **Names inspired by religion, literature, and popular adages**

Most will agree that the ultimate value of a private foundation is the actual impact of its philanthropic activities and grantmaking, not the name that appears on the check. However, a foundation is the embodiment of your vision and aspirations for a better world. It deserves a name that is imbued with personal meaning and adequately represents its "brand" to external audiences.

ABOUT FOUNDATION SOURCE

www.foundationsource.com

Foundation Source is the nation's largest provider of comprehensive support services for private foundations. The company's administrative services, online foundation management tools, and philanthropic advisory services provide a complete outsourced solution, including the creation of new foundations. Our clients supply the vision; we provide everything else.

Now in our second decade, Foundation Source provides its services to more than 1,300 family, corporate, and professionally staffed foundations, of all sizes, nationwide. We work in partnership with wealth management firms, law firms, and accounting firms, as well as directly with individuals and families. Foundation Source is headquartered in Fairfield, Connecticut, with offices throughout the United States.

Have a question? Call 800.839.0054 or send us an email at info@foundationsource.com.

55 Walls Drive, Fairfield, CT 06824

P 800.839.0054

F 800.839.1764

www.foundationsource.com

©2016 Foundation Source Philanthropic Services Inc. All rights reserved. v1016

The information provided in this document is for general information purposes only, and does not constitute legal, tax or investment advice.