

that the trust foundation is an independent organization after the first steps taken by the parent trust.

Generally, however, the boards of trustees of the parent trust and the trust foundation are usually kept identical for ease of management.

Charitable Contributions - The parent trust may contribute to the trust foundation. ABC generally does not recommend this procedure, however, primarily due to the close relationship of the parent trust and the trust foundation. Rather, we recommend that the parent trust loan initial capital to the trust foundation. The trust foundation, however, may receive contributions from any other source as any proper 501(c)(3) organization. The corporate foundation could, in fact, contribute to the trust foundation for various reasons or just to generally endow the trust foundation. This would be accomplished through a resolution by the corporate foundation and a general grant or unrestricted endowment. Standard procedures would be used between the corporate foundation and the trust foundation in the same way that the corporate foundation would do business with any other unrelated foundation.

The trust foundation would itself accomplish charitable grants or activities in much the same procedures