



Foundation Set-Up 101

PHILANTHROPY EXPERT KIMBERLY HAYNES HELPS PROFESSIONAL ATHLETES SET UP COMMUNITY SERVICE ORGANIZATIONS

By Ronda Racha Penrice

If you're interested in giving back, don't give up. While many professional athletes are daunted by the thought of setting up a foundation, the process is easier than you might think—especially if you have Kimberly Haynes on your side.

Haynes, an Atlanta-based sports and entertainment attorney, found a way to marry her civic interests with her sports client base by setting up the OMBI Group, which specializes in foundation management, in December 2003. "I established the company after realizing that there was a true need and desire amongst professional athletes who wanted to set up foundations in their name but didn't know where to start," says the Baton Rouge, La., native, who received her law degree from Tulane University in New Orleans.

As a first step, Haynes advises clients to pick a cause they're particularly enthusiastic or concerned about. "That's the easiest thing to do," says Haynes, whose clients include Jimmy Williams of the Seattle Seahawks, Michael Clayton of the Tampa Bay Buccaneers and Shandon Anderson of the Miami Heat. "You pick something you're genuinely concerned about and you're more likely to have an input." Once the cause is identified, it's time for strategic planning—figuring out how such elements as grant writing and fundraising will be implemented—and choosing a board of directors.

Haynes involves her clients in every step of the process. "If the client wants me to ultimately run the foundation, my company is staffed to do that," she concedes, "but I like to educate them about the day-to-day duties

so they will know what they need to do to maintain a successful foundation."

She also fills her clients in on all the benefits of philanthropy work. "Teams and companies look more favorably on athletes who head their own foundations," says Haynes. "Companies today want more community-minded spokespersons. These guys, in turn, can get great endorsement deals from their involvement with their nonprofit organizations."

There are tax benefits, too. "I usually have my clients speak with their tax consultants and financial advisors about that, but there are definitely advantages and tax breaks," she says. "I know my skill set and my craft, and I utilize those to the fullest for my clients. It would be a disservice to the client if I profess to know everything about foundation management. That's why we have teams who are experts in the particulars."

One thing she does know is that the cost of setting up a foundation is not as much as people may think. "The IRS filing fee is \$500, so that's the barebones minimum. After that, each state has its own filing fee for incorporating the organization as a company," she says. "First you have to start out as a corporation, and then you can apply to the IRS to receive 501(c)(3) status of that company."

In addition, adds Haynes, "the IRS doesn't require anything prior to your application. It does like to see you have programs that you anticipate providing for your nonprofit, so you do have to list those programs." From that point, however, it's up to you.

Some clients start their foundations with as little as \$2,500, and others come in at \$50,000. Regardless of the initial amount, Haynes warns athletes to carefully consider the commitment they're making. "It's an arduous undertaking that's long term; it's not just while you're in the league, it extends to when you retire."

Need proof? Thumb to p. 104 for OT's Top 26 sports foundations. Who knows, your role model could be on the list.

To learn more about Haynes and her services, visit www.ombigroup.com.