



WHAT IS A COMMUNITY FOUNDATION

We make grants, but we're more than a grant maker. We raise money, but we're not primarily a fundraiser. We are involved in leadership activities, but we're not a community think tank.

What a community foundation does is provide services — all in an area the IRS has defined as tax-exempt — for three distinct constituencies: charitable donors, nonprofit organizations and the community-at-large.

FOR DONORS ...

For charitable donors, we structure permanent and temporary funds. We offer program investigation, reporting, and investing, monitoring and administrative services. We also offer economies of scale, and access to a wealth of knowledge about the community, its needs, and the capacity of various organizations to meet them. We offer donors recognition and a continuum of donor services, ranging from check writing to immortality (if they wish to create permanent endowment funds). We provide technical support to donors' attorneys, accountants and other financial advisors. A community foundation functions as a useful and cost-effective partner for corporate and individual philanthropies, large and small.

FOR NONPROFITS ...

For nonprofit organizations, we are structured to provide a source of funds for both routine and emergency needs. We are capable of taking risks with a grant applicant that few other funding sources will assume. We are well positioned to hold, invest and disburse endowment and project funds for nonprofits that seldom have the specialized expertise or manpower to add these functions to their "to do" lists. Not everything we do for nonprofits involves money. Technical assistance is a logical niche for a community foundation. We also provide networking opportunities between the organizations and a wide range of donors and between the organizations themselves.

FOR THE COMMUNITY ...

For the community-at-large, perhaps our most important function is the formation and preservation of charitable capital. (Communities with access to substantial reserves of charitable capital are demonstrably better off than those without them.) We also nurture the nonprofit sector as a whole, and help it to integrate with other structures.

We promote organized philanthropy by individuals, corporations and organizations. We recognize change and convene leadership to respond to it. We work with others to assess unmet needs and address them.

Community foundations maintain a healthy balance among their attentions to the three primary constituencies. There's stability, creativity, alertness and an honesty which grows out of that balance. If the stool slides toward one of its three legs it is weaker than when in balance. There's a valuable process at work when the interests of donors, nonprofits and the community intersect with each other.

Community foundations embody a commitment to diversity and to permanence. America has never been a monochromatic society. Our history as a melting pot underscores the value of cultures, races and classes finding their shared values and building a working relationship. Community foundations can encompass in their governance and staff the elements that will shape a community's destiny.

Community foundations are in it for the long haul, in a way that almost no other institution can be. Because we are designed for permanence and to respond to change, it is a community foundation's unique responsibility to consider the interests of the future in everything it does. That's why we build and conserve permanent endowments and try to convince people to restrict them as little as possible.

In summary, a community foundation is a collaboration of diverse interests, organized for permanence, which attempts to strengthen a geographically defined community by providing services and nurturing leadership among charitable donors, nonprofit organizations and the community-at-large.

Adapted from an article by Fred Bartenstein.