

Step 2

Education for Potential Advisory Board Members

- *Ten reasons People Use Community Foundations*
- *A Planning Outline*
- *PowerPoint Presentation*

The education process begins with the understanding of what an endowment fund is and why it can be an important community resource.

What is a Community Fund?

A Community Fund is a charitable component of the Community Foundation of Southern Wisconsin, Inc. It allows individuals and groups to contribute time and money toward the betterment of a specific community. Each Community Fund has a volunteer Advisory Board comprised of members of that community.

As a component of the Community Foundation, a Community Fund is a tax-exempt, non-profit, publicly supported philanthropic organization with a long-term goal of building a permanent fund to support both current changing needs and future needs of the community. Each gift is invested, not spent outright, and a portion of the earnings is distributed via grant awards.

How is a Community Fund different from other public charities?

Most public charities provide a direct service to a specific area. A Community Fund supports the broader needs of the community encompassing the arts, education, health and human services, and historic preservation. It looks to the well being of the total community, not just a part of it.

Common Community Foundation/Fund philosophies:

- Build and manage permanent endowment to meet community need
- Make broad-based grants
- Provide leadership
- Leverage resources
- Provide a central philanthropic vehicle for donors to meet community need

The PowerPoint can be shown at this point.

In determining the viability of a Community Fund some fundamental questions should be answered. See Planning Framework.

10 Reasons People Use the *Community Foundation of Southern Wisconsin*

One

We build endowment funds that benefit the community forever (by investing principal, then using investment income to make charitable grants).

Two

We help donors establish a personal legacy by creating permanent funds in their names.

Three

We offer ways for donors to stay involved in identifying uses for their charitable gifts.

Four

We are a simple way to fulfill multiple charitable interests; donors can give through us to a number of non-profit organizations.

Five

We are a local organization meeting a broad range of ever-changing local needs.

Six

We practice prudent stewardship and carefully manage each fund.

Seven

We offer maximum tax advantages under federal law.

Eight

We accept a wide variety of assets; donors can make gifts of cash, appreciated stocks, bonds, real estate, or personal property.

Nine

We provide personalized donor service to support each donor's unique charitable interests and financial circumstances.

Ten

We help preserve donor intent even if an organization receiving grants ceases to exist in the future.

For good. For ever.

A Planning Framework

It can be very useful to have a planning framework with which to work through complex issues. The planning framework, or approach and process, provides focus on manageable steps which the planners believe will lead to the desired conclusion. Here is a basic approach.

After all steps are completed and agreed upon, implementation is possible.

- Establish your reasons for wanting a Community Fund
 - What will the benefits be?
 - What are the obstacles?
- Define the goals and objectives for the Fund during the first five years. Ten years.
- How are you going to get there?
- When are you going to start?
- Who is going to do it?
- How will we define success?