

Best Practices in Starting and Sustaining Community Foundations

Presented by:

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COMMUNITY FOUNDATION
of Waterloo/Cedar Falls and Northeast Iowa

the Challenge

How do we get started?



How do we get started?

Step 1 Imagine and Inspire

Step 2- Founding and Framework

Step 3- Foundation Start-Up and Growth

Step 4- Grow and Sustain

Step 5- Reasonable Comfort Level

Step 6- Review and Renew



Step 1-

Imagine and Inspire

Imagine and Inspire

Questions to answer as you begin to imagine a community foundation for your community.

- What are our dreams for our community?
- Do others see the vision of endowment building?
- Do we have a charismatic leader and champions of the cause?
- How will we organize... as one town, as a collective of two communities, as an entire county?



Step 2-

Founding and Framework

Founding and Framework

NOW WHAT?

- Develop a mission
- Develop a statement of purpose
- Develop and articulate the values of your community foundation

Based on the above answers you now have two options to ponder.

Founding and Framework

Which is best for your community?

- Do we set up our own separate corporation and file for our 501(c)3?
- Do we affiliate with an existing community foundation that meets National Standards and is a qualifying community foundation as identified by the Iowa Department of Economic Development (IDED)?

To make the best choice for your community consider the following topics.

Founding and Framework

Consider the following topics:

- The costs of incorporating
- Cost of day to day administration of gifts, grants, receipting of gifts, website, etc.
- Costs and time associated with an annual audit and filing of 990
- Staff expertise and support you may need for marketing to donors and professional advisors
- Technical support that may be needed such as computers, software to track and coordinate donations and grants, etc.
- Tax credit and matching grant options provided to qualifying community foundations

Founding and Framework

Steps to take to initiate the framework of operations for your chosen direction.

Do you want to be a separate corporation or an affiliate community foundation?

– A Separate Corporation

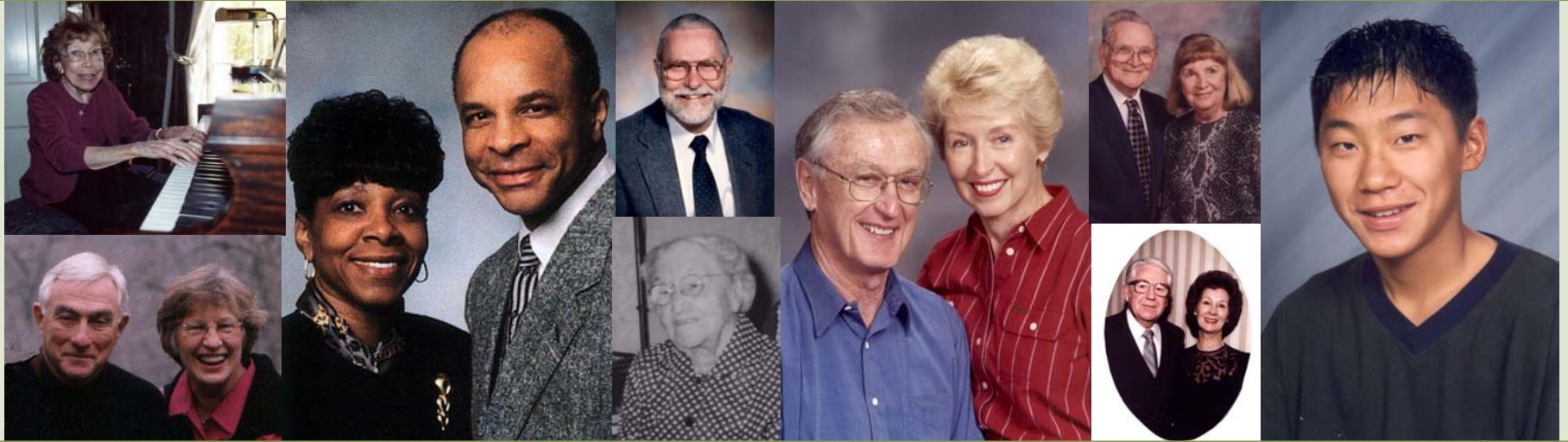
- Form a board and executive committee
- Need by-laws
- Need articles of incorporation
- Apply for non-profit corporation status with the state
- Prepare a projected budget
- Apply for 501(c)3 status and letter of determination from IRS
- Secure start up costs and initial operating dollars
- Find a location for the office- could/should we share space with another organization?
- Review and begin steps to meet national standards
- Review IDED rules to become a qualifying community foundation for state tax benefits and matching grants
- Hire staff

Founding and Framework

Steps to take to initiate the framework of operations for your chosen direction.

Do you want to be a separate corporation or an affiliate community foundation?

- An Affiliate Community Foundation Fund with a Qualifying Community Foundation
 - Form a governing committee with Chair, Vice Chair, Secretary and Treasurer
 - Form sub-committee to assist with promotion and development
 - Sign agreement form with the qualifying community foundation
 - Begin promoting your community foundation fund and accept donations immediately.
 - Where will your “central point” be to stimulate local activity for your community foundation fund?



Step 3-

Start-Up and Growth

Start-Up and Growth

As you move past the starting phase to growing your foundation, here are some thoughts to consider.

- How do we build our community foundation to be viable?
- How do we market to donors?
- How are we marketing to professional advisors?
- How do we keep the public informed?
- How do we take advantage of national and state support?
- How will we invest our dollars? What is our spending policy?
- What is our granting process... scholarships?





Step 4-

Grow and Sustain

Grow and Sustain

As you find yourself growing, think about these questions as you build upon your sustainability.

- How do we maintain momentum... and remain creative with our board/committee?
- How do we evaluate our grantmaking process?
- How do we keep the public informed of our progress?
- How do we work as a community convener?
- Are we getting bequests? Are we making connections with professional advisors in the area?





Step 5-

Reasonable Comfort Level

Reasonable Comfort Level

You will know when your Community Foundation is at a reasonable comfort level because the following will be happening!

- Your community foundation’s Charitable Unrestricted Fund is growing.
- Operational dollars are adequate.
- Your community foundation is seen as a community leader.





Step 6-

Review and Renew

Review and Renew

As a community foundation you will want to ensure that you are fulfilling your mission and building for the future of your community.

- What do we need to do to **continue the movement**?
- What **changes** need to be made?
- Are we **renewing and increasing** enthusiasm?
- Are we open to **new ideas**?
- Are we finding **NEW** ways to be creative?



Two simple thoughts.



Community foundations are among the
fastest-growing
forms of philanthropy in the United States today.



Working as a **community foundation**, supporting the charitable needs of a community and preparing for our community's successful future, is one of the most rewarding efforts in which we can be involved.



www.iowaCouncilofFoundations.org



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For good. For ever.SM