



Grantmaking and Community Leadership

Your Affiliate Advisory Board will produce a networked group of leaders who understand your community's special sense of place and share a common commitment to support current and emerging needs through effective grantmaking. Getting the community to work together with a common purpose is a critical factor in the work of advancing a community foundation fund. Affiliate Advisory Boards play a key role in addressing community needs. This work cannot be done alone; the Advisory Board must lead by convening diverse voices and groups to work on solutions to local problems. These solutions can be enormously important to an entire community, or they may be life changing to only one individual.

The Standard

The lead community foundation (ACF) performs due diligence to ensure that grants will be used for charitable purposes.

Underlying Rationale

In addition to compliance with Internal Revenue Service regulations, donors and the community consider a grant from a community foundation as assurance of the integrity of the grant recipient.

Potential Outcomes

- Donors are assured that grants will be used for the purposes intended and comply with applicable laws and regulations
- A grant received from the community foundation is seen as a seal of approval by the grantee and other grantmakers
- The effectiveness of foundation grants increases

Due Diligence:

Verify the following to ensure that donor recommendations are for a 'charitable purpose':

- Donor advised grant recommendations should meet the requirements of section 501(c)(3) of the Code and new legislation under the Pension Protection Act regarding donor advised funds including the assurance that no benefits are accruing to the donor
- Charitable status – IRS status or non-US equivalent
- Proper organizational documents
- Financial statements
- Ensure no other reason grant should not be awarded
- Expenditure responsibility must be exercised specifically for grants to organizations other than those described in section 170 (b)(1)(A), type III supporting organizations that are not 'functionally integrated and any supporting organization' if the organization it supports is controlled by the donor or donor appointee or related party. More specifically the Foundation will exert all reasonable efforts and establish adequate procedures to assure the following:
 - To see that the grant is spent only for the purpose for which it is made
 - To obtain full and complete reports from the grantee organization on how the funds are spent and
 - To make full and detailed reports on the expenditures to the IRS

Grants made to foreign organizations, other than an organization described in section 509(a)(1), (2), or (3), are subject to the same restrictions on the use of the grant as those imposed on domestic private foundations. These restrictions may be phrased in appropriate terms under foreign law or custom and ordinarily will be considered sufficient if an affidavit or opinion of counsel (of the grantor or grantee) is obtained stating that, under foreign law or custom, the agreement imposes the same restrictions on the use of the grant as those imposed on a domestic private foundation.



Affiliate Grantmaking Basics

Guidelines for Legal Grantmaking

Grants made by ACF and recommended by the Affiliate Funds may be made for charitable purposes only. Fund advisors may decide to set additional focus areas to meet their grantmaking goals.

Eligible:

- Grants to 501(c)(3) nonprofit organizations
- Grants to tax exempt organizations
 - Schools and organizations within them (PTA, sports teams)
 - Churches
 - Local government agencies and programs

Possibly Eligible:

- Grants may be made to non-501(c)(3) organizations for a specific charitable purpose only if expenditure responsibility is accepted by ACF
 - The Alaska Community Foundation must approve all such requests in advance
 - An additional grant agreement specifying terms of the grant will be required

Ineligible:

- Grants to individuals, except from approved scholarship funds
- Grants which will improperly discriminate as to race, gender, marital status, sexual preference, age, disability, creed or ethnicity
- Grants which support lobbying or political activities
- Grants to Ad hoc groups without a tax-exempt legal status
- Grants which provide more than “incidental” benefit to a voting member of the grants committee or a related party (spouse, children, grandchildren, siblings and their spouses)

Grant processing

Grants recommended by Affiliate Fund Advisors are sent to ACF staff for processing and approval by the ACF Board.

- Complete Grant Recommendations Form submitted to ACF staff
 - Relevant backup information is required for each request
- Nonprofit status verified by ACF staff using Guidestar Charity Navigator tool
- If grantee is not a 501(c)(3), ACF staff verifies eligibility
- If there are questions about grant, ACF staff will follow up with fund advisor or grantee
- The ACF staff verifies that the fund has appropriate balance to make grant
- Approved grants input into FIMS system by ACF staff and Grant checks are mailed with an accompanying grant award letter

Examples of Affiliate Grant Programs

Each Affiliate has flexibility to design a grant program that meets the specific needs for each community; however the grant program must be aligned with the above Guidelines. The following documents are samples of grant guidelines that are currently in place for the following Affiliate communities: Chilkat Valley Community Foundation (Haines/Klukwan); Kenai Peninsula Community Foundation (Central Kenai Peninsula region); and Petersburg Community Foundation.



Communications and Marketing Notes for Affiliates

These notes are meant to help you to better understand the tools and resources you have as an Affiliate of The Alaska Community Foundation. Please use this as a learning and reference tool, and feel free to contact ACF with any questions about its contents.

Communications and Graphics Manual

Use the manual for best practices in communication.

The ACF Communications and Graphics Manual was updated in October 2012, and it includes a variety of information relating to best practices for internal and external communications for Affiliates. As an Affiliate, please ensure that you read this Manual, as it may provide some very helpful pieces of advice for your communications. Affiliates are encouraged to use the ACF Communications and Graphics Manual as a template in creating your own graphics standards. This will help ensure consistent external communications from all of ACF and its Affiliates. Graphics Manual best practices are best when used for all external communications from Affiliates, including newsletters, annual reports, letters, flyers, and brochures. An excerpt from the ACF Communications and Graphics Manual is included herein. Please contact the Communications Specialist if you would like to see the full version or have any questions about implementation of these graphics and communications standards for your Affiliate program.

Website Pages and Content

Keep your webpage with ACF up to date with relevant content.

The Affiliate webpages on the ACF website include eight (8) standard or stock pages. It is up to each Affiliate to create and update content to these pages. ACF is always here to help you accomplish a current and relevant web presence.

Affiliate homepage

Your Affiliate homepage should include some basic information about your Affiliate Fund, including:

- Your Affiliate Fund name
- Geographical area of focus
- Some interesting facts on your community(ies)
- Your mission
- Reference to your community foundation as a permanent fund with ACF and what that means for donors (long-term endowment, allowing for investment in the community's future for the long run)
- Mention donations (how to give, what they are used for, successful projects, current grant and scholarship opportunities)

Funds

The Funds page should include a list of all Funds within your Affiliate.

Donate

The Donate page should include some basic language about the benefit of giving, and then include the mechanisms by which users can donate, including mail, phone, in person and online. Online donations are managed by ACF for you and this can link directly to the ACF online donation portal.

Grants & Community Projects

Make sure you keep this page always up to date. It is important to keep online visitors aware of your past and current projects and grants. For current grants and projects seeking applicants, be sure to include online application links as well as any related forms.

News

Use your news page to update online visitors about what your community foundation is doing in the community:

- Announce new grant and scholarship recipients
- Announce new donors (unless they have requested to be anonymous)
- Reveal when new funds are established
- Share press releases
- Link to media coverage and news clippings

Contact Us

The website should include all relevant contact information, including email, mail, and phone. Please also include ACF contact information.

For additional information, contact The Alaska Community Foundation. You can link to our contact page here: <http://www.alaskacf.org/tabid/190/Default.aspx>

Affiliate Advisory Board Members

Include a full list of your current Affiliate Advisory Board members.

Website Technical Assistance

For help with creating and maintaining your Affiliate website on www.alaskacf.org, please contact ACF staff for technical assistance.

Online Grant Application - Foundant Tutorials

Affiliates have access to the online grant application module used by The Alaska Community Foundation (ACF). The online program is managed by ACF through Foundant – an online, web-based application and database system. Affiliates have the opportunity to work with ACF staff to customize the grant application questions, determine when to open and close a grant application cycle, and complete the application review and make grant recommendations of the submitted applications through the ACF website.

Affiliate advisory board members review submitted applications through Foundant as a Staff Evaluator. Grant Applicants create a profile that retains their application information and prior application history. Supporting documents can be easily attached to the online system. All application information is password protected.

Staff Evaluators are determined by each Affiliate and assigned by ACF. Each Staff Evaluator has a userID and password assigned by ACF. The review and recommendation process can be determined by each Affiliate. Foundant includes the opportunity to score and rank each application, as well as view attached documents, make comments and reviewer notes. The recommendations from the Affiliates are presented to the ACF Board for approval. Once approved, ACF issues the grant checks and can assist in preparation of the award letters and/or grant agreement.

Additional training on the Foundant system is available to Affiliates by ACF staff.

Press and Public Relations

Media coverage can raise awareness and help you to achieve your goals. Here is a sample press release. Please feel free to use this template for your own press releases. If you decide to draft your own press releases, please send them to the ACF Communications Specialist for review, as well as distribution, if you need or desire assistance in distribution of the press release to media outlets.

<p>FOR IMMEDIATE RELEASE Date</p> <p>MEDIA CONTACT: Name Phone Email</p> <p style="text-align: center;">Foundation to host seminar on fundraising 101</p> <p>The Jessica Stevens Community Foundation, an Affiliate of The Alaska Community Foundation (ACF), is offering a free seminar on grant-writing and successful fundraising for Northern Susitna-region nonprofit organizations on Wednesday, September 19, 2012 from 10:00 a.m. to 2:00 p.m., at the Northern Susitna Institute. Regional funders will discuss what makes a project attractive to their organizations and will attempt to ease some of the discomfort associated with requesting funding.</p> <p>The seminar will begin with a review of grant writing essentials with Anne Remick, program officer for The Alaska Community Foundation, and a lunch roundtable discussion on “Strategies for Success” with Sondra Porter, president of the Talkeetna-based Jessica Stevens Community Foundation advisory board. Aleesha Towns-Bain, senior program associate at the Rasmuson Foundation, and Sharon Scott, program officer of Mat-Su Health Foundation, will provide an overview of grant opportunities through their respective foundations. Nonprofit board, staff and volunteer leadership are welcome to attend this free seminar. Leaders should be prepared to discuss their organization’s overall mission and current activities. Lunch will be provided.</p> <p>For more information and to register for the seminar, contact [Name] at (907) 733-2388 or name@alaskacf.org.</p> <p>About the Jessica Stevens Community Foundation The Jessica Stevens Community Foundation, an Affiliate of The Alaska Community Foundation, is a permanent fund dedicated to building healthy communities in the Northern Susitna Valley by raising a perpetual endowment to address community needs now and into the future. Over 120 families, business, individuals and foundations have contributed to create the permanent endowment at JSCF. Earnings from the fund are distributed annually through grants to local nonprofits. More information is available at www.jessicastevenscf.org.</p> <p>About The Alaska Community Foundation Established in 1995, The Alaska Community Foundation has become a statewide platform for philanthropy. The Alaska Community Foundation currently holds over \$55 million for the benefit of Alaskans, granting approximately \$5 million each year to charitable projects and nonprofit organizations across the state. ACF is comprised of more than 280 funds and endowments, including five Affiliate community funds such as the Jessica Stevens Community Foundation, the Alaska Children’s Trust, and many others. ACF’s mission is to grow philanthropy and connect people who care with causes that matter. The Alaska Community Foundation helps individuals, organizations and communities create funds that – like the Alaska Permanent Fund – provide financial resources to improve the quality of life in Alaska now and forever. More information is available at www.alaskacf.org.</p> <p style="text-align: center;">###</p>	<p>Always include this stock information in your press release.</p> <p>Your press release title should be short, simple and explain exactly what the release is about. You may include a subtitle also.</p> <p>Engage your reader in the first paragraph. Include the pertinent details, including time and place of an event or deadlines for a grant or scholarship application. Typically, you want to also include some engagement in the first paragraph, e.g. explain why this is newsworthy.</p> <p>If you are hosting an event, offering a grant application, or otherwise calling your reader to do something, make sure you include a contact where readers can get more information, typically a phone number, email address and your website.</p> <p>Develop boilerplate paragraph about your Affiliate Fund to include in all press releases.</p> <p>Do not use “I” or “we.” Refer to yourself from a journalist’s perspective.</p> <p>Please use this boilerplate for The Alaska Community Foundation following boilerplate about your Affiliate Fund.</p> <p>Shorter is better. If you can say it in one page, do so. Do not go over two pages.</p> <p>The ### indicates the end of your press release.</p>
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Social Media

Participate in meaningful conversation through one or more social networks.

The Alaska Community Foundation is currently using social media to connect with donors, grantees and the public at large. Affiliates are encouraged to do so as well. A majority of the US population is using at least one social network on the Internet and these networks are an effective tool to communication, when used properly. Please refer to the most current handout outlining social media basics for more information on how to most effectively use social media for promotion, fundraising and to raise general awareness about your foundation and your community. If and when you set up any social network, please let us know so that we can promote it on ACF's social networks as well.

Please see Attachment B in this Affiliate Handbook for *Social Media Basics for Affiliates*.

Google Alerts

Monitor yourself and your community.

Google Alerts is a content change detection and notification service, offered by the search engine company Google. Google Alerts automatically notifies users when new content from news, web, blogs, video and/or discussion groups matches a set of search terms selected by the user and stored by the Google Alerts service. Notifications can be sent by email, as a web feed, or displayed on the users' personal Google page (all Gmail users have what is called an iGoogle page).

Currently there are six types of alerts sent when new content matches the search terms of the alert:

- Everything – (default setting) aggregates News, Web and Blogs
- News – sent when matching content makes it into the top ten results of a Google News search
- Web – sent when new web pages appear in the top twenty results for a Google Web search
- Blogs – sent when matching content appears in the top ten results of a Google Blog Search
- Video – sent when matching content appears in the top ten results of a Google video search
- Groups – sent when matching content appears in the top fifty results of a Google Groups search

For your purposes, Google Alerts is most helpful in keeping an eye on media outlets online, such as newspapers, TV and radio station websites, which update print content on their websites. To set up your own Google Alerts, go to <http://www.google.com/alerts>. Your search query should include relevant search terms, including your Affiliate community foundation name, "The Alaska Community Foundation," your community name, and the name of any individuals, programs, or other related nonprofits.

You can have the Google Alerts sent to you via email or "Feed," which refers to your Google Reader account. To set up a Feed to Google Reader, you simply need a Gmail account. Once you have a Gmail account set up, you can access your Google Reader here: www.google.com/reader/. So long as you are logged into your Gmail account, this link will always bring you to your news feed. If you have any questions about how to set up Google Alerts, feel free to contact the ACF Communications Specialist for assistance.

Brochures, Newsletter and Other External Communications

Take advantage of the ACF Communications Specialist.

As ACF and all Affiliates are interested in a consistent and strong brand, all Affiliates are encouraged to share external communication materials with ACF. The ACF Communications Specialist is here to help you with your external communications, from final proof read of a press release, layout assistance for a flyer, or collaboration on your annual newsletter. In addition, feel free to contact us if you need assistance with your Affiliate graphics, such as your logo or newsletter header images.



ACF Communications and Graphics Standards Manual, 2012

Excerpted portions most relevant to Affiliates

The Alaska Community Foundation has invested a great deal of energy into developing the ACF brand so that there is a single, consistent image and message portrayed on behalf of ACF.

This manual is intended to describe the various parts of ACF's public identity and provide guidelines for their use by ACF, its staff, Board members, Affiliates, grantees and third party designers or contractors. The goal is to standardize communications so they present ACF in a consistent light to its target audiences. These guidelines are meant to provide a framework for consistent communications that enhance ACF's overall image. Maintaining this consistency is crucial as ACF grows.

The ACF style guidelines for all written communications have also been incorporated into this piece as well. These guidelines are based on standard English grammar, Associated Press style and preferred ACF usage.

These standards apply to all printed or electronic material, whether produced by an ACF department, an Affiliate, fund or an outside vendor. They will help us present an image to the public that is distinct, professional and uniform. Communications materials and plans should be discussed and reviewed with the Communications Specialist. Questions about ACF's corporate identity or the style guidelines should be directed to the Communications Specialist.

ACF Name for External Communications

Use: The Alaska Community Foundation, ACF

Do Not Use: Alaska Community Foundation, The ACF, TACF, T/the Foundation*

*Note: You may use "T/the Foundation" for internal communications or in special circumstances for external communications. For questions on when to/not to use this, ask the Communications Specialist.

ACF Mission

ACF advances philanthropy to strengthen Alaska's communities now and forever. Together with our Affiliates, we connect people who care with causes that matter by:

- Encouraging and nurturing philanthropy through building and managing permanent endowments;
- Convening stakeholders and working with partners to strengthen Alaskan communities; and
- Providing donors with grant options that are strategic to their philanthropic objectives.

We use the following "blurb" to describe ACF:

Established in 1995, The Alaska Community Foundation is a statewide platform for philanthropy. ACF currently holds over \$55 million for the benefit of Alaskans, granting approximately \$5 million each year to charitable projects and nonprofit organizations across the state. ACF is comprised of more than 280 funds and endowments, including five Affiliate community funds, The Alaska Fund, the Anchorage Schools Foundation, the Alaska Children's Trust, and many more. ACF's mission is to grow philanthropy and connect people who care with causes that matter. ACF helps individuals, organizations and communities create funds that provide financial resources to improve the quality of life in Alaska now and forever.

If a very brief description is needed, the following may be used.

The Alaska Community Foundation connects people who care with causes that matter in an effort to grow philanthropy across Alaska.

ACF Logo

The ACF logo consists of the graphic component (people in a star formation) and words “The Alaska Community Foundation.” It should typically be used in its entirety without separating the graphic component from the words.



The ACF logo may be reproduced in a size proportional to the publication or item. Do not change the proportions of the logo. If you have a challenge using the logo in the space you have available, please contact the Communications Specialist for suggestions. To preserve the legibility, the logo should never be reproduced smaller than 2” wide. There should be at least ½” of white space around ACF’s logo at all times. Copies of ACF’s logo are available through any ACF staff member, and questions regarding use should be directed to the Communications Specialist.

Logo Colors

When printing in color, ACF uses PMS 186 for the logo when produced in color. The Affiliate logo also includes PMS 130 (yellow) and PMS 425 (grey). When printing in black and white, all components of the logo should be printed in black.

Usage

The ACF logo should be placed on the right side of any page whenever possible, for consistency. All uses of the ACF logo by other organizations must be approved in advance by ACF and adhere to the guidelines in this manual. This includes production of any invitation, stationery, special report, flyer or brochure. Requests to use the logo should be directed to the Communications Specialist.

Co-branding with Affiliates

Co-branding is a simple and easy way of showing support while helping to spread the word about ACF and the organizations with which we are affiliated. The logo provided by ACF to Affiliates should be used within these few guidelines to maintain a clear, consistent look for ACF throughout the state. The tagline, “connecting people who care with causes that matter,” should also be used as the tagline whenever possible.

Affiliates should use the following line when describing or introducing themselves in any written medium, especially press releases: “The [Affiliate] Community Foundation, an Affiliate of The Alaska Community Foundation.”

When creating press releases or dealing with the press, Affiliates are encouraged to contact the ACF Program Officer who can take the appropriate steps to connect the Affiliate with the ACF Communications Specialist. ACF encourages Affiliates to include ACF in all dealings with the press or external communications.

Font/Spacing

Use of a limited set of typefaces helps to promote a consistent look for all communications, from specially designed printed pieces to something as simple as a letter or quick flyer. All letters from ACF should be created in Garamond, 11 point font. The fonts to be used in documents other than letters are as follows.

Headlines	Garamond; 20 point; Right Justified <i>(Put a full line before Subheads)</i>
Subhead (first)	Garamond; 14 point
Subhead (second)	Garamond; 11 point bold
Text	Garamond; 11 point

Spacing

Single line spacing, 6pt after. Use single spacing and 0pt after for bulleted lists. Paragraph settings as follows:

Page Margins

On pages with the pre-printed letterhead, use a 2” margin on top and a 0.7” margin on bottom, left and right. On pages printed without the letterhead, use a 0.7” margin on top, bottom, left and right.

Footer

When needed, the footer on a document should include the document title, publish date (written as “Pub.Mo/Yr”) and Page numbers. Write the footer in Garamond, 10 point font. Please see the footer of this document for an example.

Media Relations

All media relations involving ACF, its Affiliates, supporting organizations and partnerships must be coordinated with the Communications Specialist. This includes:

- Writing and distributing news releases or other information to local, trade or national media outlets
- Requests by the media for interviews, statistics, photographs, quotations from staff or board, etc.
- Staff or volunteer appearances on television or radio
- Letters to the editor or opinion pieces
- Preparation of media kits or other materials for special events

The President/CEO is the primary spokesperson for ACF. Should you receive a call from someone who identifies himself or herself as a reporter or representative of any newspaper, magazine, Internet news service, television station or radio station, please forward the call to the Communications Specialist. If unavailable, please contact the Executive Assistant to determine how the President/CEO wishes the call to be handled. If it is necessary to take a message, please gather the following information: person’s name, name of media outlet, telephone number, type of information requested or topic of story, and the deadline. Please forward any clippings or information about coverage to the Communications Specialist.

Grammar and Punctuation Guidelines

Abbreviations

If there is another name that may confuse readers as to what ACF stands for, then when you use the full name of the organization followed by its initials on first reference followed by the abbreviation in parentheses, if you plan to use only the abbreviation later, e.g., The Alaska Community Foundation (ACF). If there is no other name in the writing and no reason why a reader should be confused (as will be the case most of the time), then you do not need to reference the initials in parentheses at all. Do not use an abbreviation to start a sentence; instead, spell the name out, or reword the sentence so the name of the organization is not at the beginning.

Ampersand

The ampersand (&) is used only when it is an official or common part of an organization's name. When in doubt, see the official letterhead of the organization. In regard to funds at the community foundation, do not interchange an & for the word "and" in internal documents. Fund names should remain consistent with the donor's wishes in the master files.

Dates

Dates	The examples below show the correct way to write dates in narrative text. No comma is necessary when referencing only a month and a year Tuesday, August 10, 2000 May 1 June 2001 Do not use rd , nd , th in dates, except in generic form as in the 15 th or 30 th of each month
Months	Spell out in narrative text. Do not abbreviate March, April, May, June or July
Days of the week	Spell out except in tables
Decades	No apostrophe. 1980s; 1990s
Seasons	Lowercase
Years	1992-1993; not 1992-93

Directions

Lowercase north, south, east and west.

e.g., and i.e.

E.g., represents the Latin phrase (*exempli gratia*, meaning *for example*). The periods and comma are necessary. i.e., represents the Latin phrase (*id est*, meaning *that is*). It is generally used to restate a phrase. (See numerals entry in this section)

Names

funds	Specific funds should be identified as the XX Fund of The Alaska Community Foundation, using title case. Types of funds should be identified as lowercase
Jr., Sr., III, PhD	Use commas to separate from the name
titles	In running text, capitalize only if the title precedes the name

Numbers

Spell out one through nine. Use numbers for 10 and above, unless the number begins the sentence. Use million or billion instead of writing out a seven or eight digit number (e.g., 12 million people, \$4.2 billion). Do not drop the word million or billion in the first figure in a range. It should read from \$15 million to \$20 million, not from \$15 to \$20 million, unless you really mean \$15.

Punctuation

Colon	The most frequent use of a colon (:) is at the end of a sentence to introduce a list or series. Additionally, a colon should be used between sentences if the first sentence has formally introduced the information in the second sentence. Capitalize the first word after a colon only if it is a proper noun or the start of a complete sentence.
Comma	In a series of items, omit the comma before last item
Dashes	There are three main types of dashes: hyphen (-), the en dash (-) and the em dash(--). Hyphenate compound adjectives except when they end in -y (well-marked trail, newly formed fund). Use a short dash ("en dash") between numbers like 2007-2008 by using the hyphen key on your keyboard. When using a dash for emphasis in a sentence – type two hyphens with spaces on either side -- Word will turn them into a longer dash ("em dash").

Quotation Marks	Quotations marks are always placed outside periods and commas. Semicolons and exclamation points are either inside quotation marks if part of the quotation; outside if not part of the quotation.
Parentheses	Comma, semicolon, colon and dash are always outside parentheses (unless, in rare instances, it is part of quoted parenthetical material). Period, exclamation point and question mark, when punctuating the entire sentence, are outside the parentheses
Semicolon	In general, the use of a semicolon (;) between two sentences is used to indicate a greater separation of thought and information than a comma conveys but less separation than a period implies. Additionally, the semicolon is used in place of the comma to separate elements of a series when individual segments of that series contain information that must also be set off by commas.

Publications

The title of complete publications (books, magazines, television shows, etc) should be italicized, not underlined. The titles of articles, chapters, or other subsets of complete works should be used in quotation marks.

Time

In narrative text, use numerals when giving the clock time. Lowercase a.m. and p.m. and include a space between the numerals and the letters. Note the use of the en dash as well (see punctuation). When referencing time in narrative text, avoid redundancies such as 12:00 p.m. noon and 8:00 p.m. tonight.

Titles

When used in narrative text, capitalize only if the title precedes the name (e.g., President Beth White or Beth White, president) unless referring to the US President.



Resources

Developing a Community Foundation Affiliate: A Case Study – Comparing Efforts in Three Regions of Sonoma County: Healdsburg, West County, and Petaluma | April 2006

http://www.sonomacf.org/pdf/publications/affiliate_case_study_0406.pdf

In 2002, Community Foundation Sonoma County began an outreach effort in four distinct areas of the county with the goal of establishing one or more affiliate funds. These efforts initially focused on Healdsburg, Petaluma, West County and Sonoma Valley with the idealized goal to launch an affiliate fund in each geographic area. While that did not occur, significant information relating to strategies and processes were gleaned from the process. This report looks closely at what occurred in each community, comparing and contrasting each community's philanthropic endeavors and idiosyncrasies. It examines and discusses the strategies used in each and offers an analysis of what worked and what didn't. The report is aimed at both community foundation professionals and community members who are interested in the processes, successes, constraints, and results of affiliate outreach efforts in three very different communities.

The Balancing Act | August 2008

<http://www.mott.org/files/Publications/CSMFPublication03.pdf>

The Balancing Act is a three part series created by the Charles Stewart Mott Foundation that looks at the three functions of a community foundation. First, a community foundation is a grantmaker. Community foundations are powerful, as local grantmaking enables and empowers individual giving and fosters community. Second, a community foundation is a vehicle for philanthropy, building endowments to address the changing community needs and opportunities. Finally, a community foundation is a community leader that addresses difficult community issues and advocates for needed programs and services.

Growing Local Philanthropy: 2009 Survey - Community Foundations and Geographic Affiliates | July 2011

<http://www.aspenecsg.org/survey/AspenCSGGrowingLocalPhilanthropy2011.pdf>

This report presents findings from a 2009 survey of community foundations across the United States conducted by the Aspen Institute Community Strategies Group (CSG). The survey was designed to learn about emerging trends in the incidence of and experience with Geographic Affiliates of U.S. community foundations. The CSG conducted this survey with the assistance of a national advisory group of community foundations and association leaders from across the country, including foundations of all sizes and locales.



Glossary

501(c)(3)

501(c)(3) Section of the Internal Revenue Code that designates an organization as charitable and tax exempt. Organizations qualifying under this section include religious, educational, charitable, amateur athletic, scientific or literary groups, organizations testing for public safety or organizations involved in prevention of cruelty to children or animals. The tax code sets forth a list of sections – 501(c)(4-26) to identify other nonprofit organizations whose function is not solely charitable (e.g. professional or veterans organizations, chambers of commerce, fraternal societies).

Affiliate Fund

A collection of assets designated to benefit a specific community, generally a geographic service area that operates under the guidance of, or in accordance with a formal agreement with, a community foundation serving a larger or separate area. In practice, community foundations generally provide, from within their existing organizational infrastructure, the ‘back office’ services for these funds. Affiliate funds may be donor advised or field of interest funds at the host community foundation.

Agency Endowment Fund

Established by a nonprofit agency for the benefit of the nonprofit agency. The community foundation regularly distributes the annual net earnings back to the agency for purposes established by the agency. Also called Organization Endowment Fund.

Annual Report

A report published by a foundation or corporation describing its mission, leadership, programs, services, activities and accomplishments. In the case of community foundations, it also describes its grantmaking and donor services, and includes a listing of contributors, selected policies and guidelines, and an audited financial statement.

Asset

Cash, stocks, bonds, real estate or other holdings of a foundation. Generally, assets are invested and the income is used to make grants.

Audit

An independent examination of the accounting records and other evidence relating to a business to support the expression of an impartial expert opinion about the reliability of the financial statements.

Bequest

A gift by will to a specific recipient. A charitable bequest is a transfer at death by will to a nonprofit organization for charitable purposes.

Challenge Grant

A grant that is made on the condition that other monies must be secured, either on matching basis or via some other formula, usually within a specified period of time, with the objective of stimulating giving from additional sources.

Charitable Class (from IRS Publication 3833)

The group of individuals that may properly receive assistance from a charitable organization is called a charitable class. A charitable class must be large or indefinite enough that providing aid to members of the class benefits the community as a whole. Because of this requirement, a tax-exempt charitable organization cannot target and limit its assistance to specific individuals, such as a few persons injured in a particular fire. Similarly, donors cannot earmark contributions to a charitable organization for a particular individual or family.

Charitable Intent

The philanthropic benefits or purposes assigned by the donor when making a gift. Charitable purposes include the relief of poverty, the advancement of education or religion, the promotion of health, governmental or municipal purposes, and other purposes the achievement of which is beneficial to the community. Organizations set up and operated exclusively for charitable purposes, and which serve a public rather than a private interest, are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and are eligible recipients of tax-deductible charitable contributions.

Community Foundation

A tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors for the broad-based charitable benefit of the residents of a defined geographic areas, typically no larger than a state.

Component Fund

An individual fund considered by the Internal Revenue Service (IRS) to be part of the exempt assets of a foundation. The foundation's governing board must have control over all assets of a component fund.

Corporate Foundation

Also referred to as a Company-sponsored foundation, this type of private foundation receives its funding from the for-profit company whose name it bears but is legally an independent entity. Corporations may establish foundations with initial endowments, make periodic contributions (generally based on a percentage of the company's profit) to the foundation or combine both methods to provide the foundation's resources.

Designated Fund

A type of restricted fund held by a community foundation in which the donor specifies the fund beneficiaries.

Disqualified Person (public charity)

As applied to public charities, the term disqualified person includes (1) organization managers, (2) any other person who, within the past five years, was in a position to exercise substantial influence over the affairs of the organization, (3) family members of the above and (4) businesses they control. Paying excessive benefits to a disqualified person results in the imposition of penalty excise taxes on that person and, under some circumstances on the charity's board of directors.

Donor

The individual or organization that makes a grant or contribution. Also called a Grantor.

Donor Advised Fund

A fund held by a community foundation where the donors, or person or committee appointed by the donor, may recommend eligible charitable recipients for grants from the fund. The community foundation's governing body must be free to accept or reject the recommendations.

Donor Designated Fund

A fund held by a community foundation where the donor has specified that the fund's income or assets be used for the benefit of one or more specific public charities. The community foundation's governing body must have the power to redirect resources in the fund if it determines that the donor's restriction is unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served. See Variance Power.

Due Diligence

In grantmaking, this speaks to the practices one applies to reviewing grant requests prior to approving them. It generally includes establishing the charitable status of the grantee, the charitable purpose of the grant and the financial and organizational capacity of the organization to undertake the proposed activities.

Endowment

A fund in which the principle is kept intact and only a certain amount of earnings are available for other purposes. Donors may require that the principal remain intact in perpetuity, for a defined period of time or until sufficient assets

have been accumulated to achieve a designated purpose. With a permanent endowment, the principal is often invested along with some retained earnings to retain the fund's historic value.

Expenditure Responsibility

When a private foundation makes a grant to an organization that is not classified by the IRS as tax exempt under Section 501(c)(3), it is required by law to ensure that the funds are spent for charitable purposes and not for private gain or political activities. Special reports on the status of the grant must be filed with the IRS.

Family Foundation

Family foundation is not a legal term, and therefore it has no precise definition. Yet, approximately two-thirds of the estimated 40,000 private foundations in this country are believed to be family managed. The Council on Foundations defines a family foundation as a private foundation whose funds are derived from members of a single family. At least one family member must continue to serve as an officer or board member of the foundation, and as the donor, they or their relatives play a significant role in governing/managing the foundation throughout its life. Members decide themselves if they wish to categorize their private foundation as a family or independent foundation. In many cases, second- and third-generation descendants of the original donors manage the foundation. Most family foundations concentrate their giving in their local communities.

Fiduciary Duty (responsibility)

The legal responsibility for investing money or acting wisely on behalf of a beneficiary. More broadly, for foundation boards such responsibility must be legally exercised on behalf of the donors and the governing documents of the foundation. See Due Diligence.

Field of Interest Fund

A fund held by a community foundation used for a specific charitable purpose such as education, health, research or the arts.

Financial Report

An accounting statement detailing financial data, including income from all sources, expenses, assets and liabilities. A financial report may also be an itemized accounting that shows how grant funds were used by a grantee organization. Most foundations require a financial report from grantees.

Financial Statements

Main source of financial information to persons outside the organization. These convey to management and to interested outsiders a concise picture of the profitability and financial position of the organization.

Form 990/Form 990-PF

The IRS forms filed annually by public charities and private foundations respectively. The letters PF stand for private foundation. The IRS uses this form to assess compliance with the Internal Revenue Code. Both forms list organization assets, receipts, expenditures and compensation of officers. Form 990-PF includes a list of grants made during the year by private foundations.

Fund

An entity established for the purpose of accounting for resources used for specific activities or objectives in accordance with special regulations, restrictions or limitations. Community foundation assets are held in many named component funds established by donors or the foundation for specific or unrestricted purposes.

Funding Cycle

A chronological pattern of proposal review, decision making and applicant notification. Some community foundations make grants at set intervals, others on an annual cycle.

Gift, Charitable

Merriam-Webster's Collegiate Dictionary, Tenth Edition, defines a gift as "something voluntarily transferred by one person to another without compensation." A charitable gift is a gift of money or other property to a qualified organization for charitable purposes for which the donor does not reasonably anticipate benefit from the gift recipient

in return. For more information, refer to the Internal Revenue Service's Code Sec. 170, the income tax charitable contribution provision and numerous court cases further define "charitable gift."

Grant

The award of funds to an organization or individual to undertake charitable activities.

Grantee

The individual or organization that receives a grant.

Grantor - *See donor.*

Grassroots Fundraising

Efforts to raise money from individuals or groups from the local community on a broad basis. Usually an organization does grassroots fundraising within its own constituency (people who live in the neighborhood served or clients of the agency's services). Grassroots fundraising activities include membership drives, raffles, bake sales, auctions, dances and other projects.

Guidelines

A statement of a foundation's goals, priorities, criteria and procedures for applying for a grant.

Independent Foundation

One individual usually established these private foundations, often by bequest. They are occasionally termed 'non-operating' because they do not run their own programs. Sometimes individuals or groups of people, such as family members, form a foundation while the donors are still living. Many large independent foundations, such as the Ford Foundation, are longer governed by the members of the original donor's family but are run by boards made up of community, business and academic leaders. Private foundations make grants to other tax-exempt organizations to carry out their charitable purposes. Private foundations must make charitable expenditures of approximately 5 percent of the market value of their assets each year.

In-Kind Contribution

A donation of goods or services rather than of cash or appreciated property. See also Technical Assistance.

Internal Revenue Service

The federal agency (www.irs.gov) with responsibility for regulating foundations and their activities.

Letter of Inquiry

A brief outline of an organization's activities and a request for funding sent to a prospective donor to determine if there is sufficient interest to warrant submitting a full proposal. This saves the time of the prospective donor and the time and resources of the prospective applicant. Also referred to as a Preliminary Proposal.

Letter of Intent

A grantor's letter, or brief statement, indicating intention to make a specific gift.

Leverage

A method of grantmaking practiced by some foundations. Leverage occurs when a small amount of money is given with the express purpose of attracting funding from other sources or of providing the organization with the tools it needs to raise other kinds of funds. Sometimes known as the "multiplier effect."

Limited Purpose Foundation

One that restricts its giving to one or very few areas of interest, such as higher education or medical care.

Lobbying

Efforts to influence legislation by influencing the opinion of legislators, legislative staff and government administrators directly involved in drafting legislative proposals. The Internal Revenue Code sets limits on lobbying by organizations that are exempt from tax under Section 501(c)(3). Public charities may lobby as long as lobbying does not become a substantial part of their activities.

Matching Gifts Program

A grant or contributions program that will match employees' or directors' gifts made to qualifying educational, arts and cultural, health or other organizations. Each employer or foundation establishes specific guidelines. Some foundations also use such a program for their trustees.

Matching Grant

A grant or gift made with the specification that the amount donated must be matched one for one or according to some other prescribed formula.

National Standards for U.S. Community Foundations

Approved in September 2000, the National Standards are the minimum requirements for the governance, structure and activities of community foundations. Adoption of these standards by community foundations throughout the system will provide a level of consistency that will help the field build capacity, distinguish itself and market nationally and regionally. The Alaska Community Foundation is in compliance with National Standards.

Non-endowed Fund

Monies are received and distributed with little or no dollars remaining with the foundation. An example is the XYZ Nonprofit Capital Campaign Fund.

Operating Contribution

A contribution given to cover an organization's day-to-day, ongoing expenses, such as salaries, utilities, office supplies, etc. Also referred to as Operating Support.

Operating Foundation

Also called private operating foundations, operating foundations are private foundations that use the bulk of their income to provide charitable services or to run charitable programs of their own. They make few, if any, grants to outside organizations. To qualify as an operating foundation, the organization must follow specific rules in addition to the applicable rules for private foundations. The Carnegie Endowment for International Peace and the Getty Trust are examples of operating foundations.

Organization Endowment Fund - *See Agency Endowment Fund.*

Outright Gift

Method of giving that permit the immediate use of the gift assets.

Pass-through Foundation

Foundations that receive monies and make distributions to grantees, with little or no principal remaining with the foundation.

Pay-out Requirement

The minimum amount that a private foundation is required to expend for charitable purposes (includes grants and necessary and reasonable administrative expenses). In general, a private foundation must pay out annually approximately 5 percent of the average market value of its assets.

Philanthropy

Philanthropy is defined in different ways. The word is of Greek origin, meaning 'love for humankind.' Today, philanthropy includes the concept of voluntary giving by individuals or groups to promote the common good. It also commonly refers to grants of money given by foundations to nonprofit organizations. Philanthropy addresses contributions by individuals or groups to other organizations that in turn work to alleviate the causes of poverty or social problems, improving the quality of life for all citizens. Philanthropic giving also supports a variety of activities in the areas of research, health, education, arts and culture, and environmental issues.

Planned Gift

Any gift given for any amount and for any purpose, whether for current or deferred use, which requires the assistance of a professional staff person, a qualified volunteer or the donor's advisors to complete. In addition, it includes any gift that is carefully considered by a donor in light of estate or financial plans. (Robert F. Sharpe & Co.)

Pledge

A promise to make future contributions to an organization. For example, some donors make multi-year pledges promising to grant a specific amount of money each year.

Private Foundation

A non-governmental, nonprofit organization with funds (usually from a single source, such as an individual, family or corporation) and programs managed by its own trustees or directors, established to maintain or aid social, educational, religious or other charitable activities serving the common welfare, primarily through grantmaking. Private foundation designation also means an organization that is tax exempt under Section 501(c)(3) of the tax code and is classified by the IRS as a private foundation as defined in the code.

Private Inurement

In general, it is the flow of money away from a nonprofit organization's public purposes to the private benefit of persons with a significant relationship with an organization. Also called Prohibited Transaction.

Program Officer

Also referred to as a corporate affairs officer, program associate, public affairs officer or community affairs officer, this staff member of a foundation or corporate giving program may do some or all of the following: recommend policy, review grant requests, manage the budget and process applications for the board of directors or grants committee.

Project Fund

In looking at the needs of the community, the foundation board determines there is an unmet charitable need. By board resolution, a fund is established to meet that need. Donors contribute to the fund. Over time, the fund is expended (rather than endowed) to meet the community need.

Public Charity

A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code and that receives its financial support from a broad segment of the general public. Religious, educational and medical institutions are deemed to be public charities. Other organizations exempt under Section 501(c)(3) must pass a public support test to be considered public charities, or must be formed to benefit an organization this is a public charity. Charitable organizations that are not public charities are private foundations and are subject to more stringent regulatory and reporting requirements. Also see Private Foundation, Public Support Test.

Public Foundation

The IRS recognizes public foundations, along with community foundations, as public charities. Although they may provide direct charitable services to the public as other nonprofits do, their primary focus is on grantmaking.

Public Support Test

There are two public support tests, both of which are designed to ensure that a charitable organization is responsive to the general public rather than a limited number of persons. One test, sometimes referred to as 509(a)(1) or 170(b)(1)(A)(vi) for the sections of the Internal Revenue Code where it is found, is for charities such as community foundations that mainly rely on gifts, grants and contributions. To be automatically classed as a public charity under this test, organizations must show that they normally receive at least one-third of their support from the general public (including government agencies and foundations). However, an organization that fails the automatic test still may qualify as a public charity, if its public support equals at least 10 percent of all support and it also has a variety of other characteristics (such as a broad-based board) that make it sufficiently 'public.' The second test, sometimes referred to as the section 501(a)(2) test, applies to charities such as symphony orchestras or theater groups, that get a substantial part of their income from the sale of services that further their mission, such as the sale of tickets to performances. These charities must pass a one-third/one-third test: They must demonstrate that their sales and contributions normally add up to at least one-third of their financial support, but their income from investments and unrelated business activities does not exceed one-third of support.

Restricted Funds

Assets or income that is restricted in its use, in the types of organizations that may receive grants from it or in the procedures used to make grants from such funds.

Scholarship Fund

Established to provide support for individuals who are pursuing some training or educational opportunity. Grants may be awarded to educational institutions for the benefit of an individual or directly to the individual (following IRS guidelines in Rev. Rul. 56-304, 1956-2 C.B.306 for substantiation and recordkeeping requirements for Charitable Organizations making grants to individuals).

Seed Money

A grant or contribution used to start a new project or organization.

Self-Dealing

An illegal financial transaction between a private foundation and any disqualified person(s). There are a few exceptions to the self-dealing rule, including the reasonable compensation of a disqualified person by a foundation for services that are necessary in fulfilling the foundation's charitable purpose. See Disqualified Person.

Site Visit

Visiting a grantee organization at its office location or area of operation; meeting with its staff, directors or with recipients of its services.

Tax-Exempt Organizations

Organizations that do not have to pay state/federal income taxes. Federal tax-exempt status can be obtained by applying to the IRS, and in most states, for state income tax exemptions, to the state attorney general's office.

Technical Assistance

Operational or management assistance given to a nonprofit organization. It can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing and other aids to management. Assistance may be offered directly by a foundation or corporate staff member or in the form of a grant to pay for the services of an outside consultant. See In-Kind Contribution.

Tipping

A situation that occurs when a gift or grant is made that is large enough to significantly alter the grantee's funding base and cause it to fail the public support test. Such a gift or grant results in 'tipping' or conversion from a public charity to a private foundation status.

Trust

A legal device used to set aside the money or property of one person for the benefit of one or more persons or organizations.

Trustee

The person(s) or institutions responsible for the administration of a trust.

Unrestricted Fund

For a community foundation, an unrestricted fund is one that is not specifically designated to particular uses by the donor or for which restrictions have expired or been removed.

Variance Power

A distinguishing characteristic of community foundations, the variance power permits the community foundation's governing body to redirect resources in component funds if it determines that the donor's restriction is unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

Will

A written instrument legally executed by which a person makes disposition of his or her estate to take effect after death.