

What is a Community Foundation?

Community foundations are charitable funds established and managed by local people to meet the opportunities and needs of their communities. They bring together donors from all walks of life to support local priority opportunities and needs, involving people in the development of their community. Community foundations build permanent financial assets and are catalysts for place-based change.

Community Foundations are becoming a popular community development tool designed to pool donations into a coordinated investment and grant making facility dedicated primarily to the social improvement of a given place. They are a global phenomenon with 2200+ worldwide and currently 55+ in Australia but growing quickly.

Community Foundations are simply about providing a mechanism for community members to '*Pay Forward*', to engage in grassroots giving and to create a legacy for future generations.

Community foundations offer a sustainable model for philanthropy. They raise money – some of which is invested to build a permanent endowment, known as a corpus (a fund of money which is invested in perpetuity), and they make grants to local initiatives. Local volunteers lead the foundations' community engagement, stewardship of funds, management of operations and decisions about where funds are allocated.

The community foundation model adapts to local needs and circumstances. While no two foundations are exactly the same, they share a number of key characteristics:

- They are incorporated organisations.
- They are grant making, public charities.
- They operate for the benefit of specific communities, usually defined by geographic location.
- They raise money and make grants for a wide range of community opportunities, needs, causes, organisations and initiatives.
- They attract tax-deductible donations, big and small, from many donors with diverse interests to their public fund and build a capital base.
- They are governed by a board of directors who are connected to the community and appointed in a transparent process
- They are independent of political parties, religious institutions, corporations, high net worth individuals or families.