

Victorian-based community foundations have been offered an exciting opportunity to boost their fundraising and increase their grantmaking potential, as Inner North Community Foundation development officer TRUDY HAIRS explains.

CHALLENGE GRANTS

Community foundations poised to rise to the challenge

IN AUGUST 2009, the Victorian Government's Office for the Community Sector (DPCD) announced the first four recipients of its new Community Foundations Challenge Grants.

Each of these community foundations has received \$100,000 in State Government funding and could be eligible to receive an extra \$200,000 contribution if they can raise \$100,000 from their local communities by August 2010.

The result will be, at a minimum, a new \$400,000 grantmaking fund for each community foundation to disburse project grants in their community in perpetuity, subject to each foundation raising \$100,000 of new (unpledged) funds.

This generous 3:1 funding offer is a fantastic incentive for these community foundations to mobilise local people and business around their fundraising campaigns.

The first four participants in this

new program are the Inner **North Community Foundation** (supporting the Melbourne communities of Darebin, Moreland and Yarra), The Ballarat Foundation (supporting communities in Ballarat and across the Shires of Ararat, Pyrenees, Hepburn, Moorabool and part of the Golden Plains), the **Bass Coast Community Foundation** (supporting communities across the Shire of Bass Coast, an area totalling 860km²) and the **Southwest Community Foundation** (supporting communities across the Shires of Colac Otway, Corangamite, Warrnambool, Moyne, Glenelg and Southern Grampians).

The funding was announced in both Melbourne and Ballarat by the Community Development Minister Peter Batchelor.

"The Community Foundations Initiative was developed to establish independent funds for local communities that can grow and be held in perpetuity," Mr Batchelor said.

"This money will be invested, and the interest and equity used to fund local projects in disadvantaged areas."

WHAT ARE COMMUNITY FOUNDATIONS?

Community foundations are independent grantmaking foundations that support projects to benefit people in a defined geographic location. They exist solely to support their community and offer people and business the opportunity to "give where they live".

Thirty community foundations operate across Australia, disbursing a total of around \$12 million in grants annually. On the world stage, more than 1440 community foundations operate across 51 countries.¹

A unique and rewarding feature of community foundations is the opportunity for people to establish a "subfund" in honour of families, loved ones or a business. Grants are distributed in the name of this subfund annually in a celebration of people's ▶

THE BASS COAST COMMUNITY FOUNDATION

- Established in 2002
- Has contributed and facilitated over \$350,000 in grants and project support to the local community.
- Coordinates a \$150,000 youth mentoring project in partnership with the Hugh DT Williamson Foundation and Kilmory Uniting Care.
- Supports all schools across Bass Coast through 'Back to School' vouchers.

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¹ Philanthropy Australia, 2008

support for their community. In this way community foundations enable people who do not have the financial means to set up their own private trust or foundation to create their own legacy.

Community foundations are independent from control or influence by other organisations, governments or donors. They are governed by skills-based Boards of local people and are bound by Australian legislation governing charities and non-profit organisations.

Community foundations typically adopt an endowment (corpus) model, where donations are invested and the income earned is returned to the community each year through grant programs. This model ensures that local organisations will have access to funding each year in perpetuity, so a donation to a Community Foundation is about local giving for lasting impact.

HOW WILL THIS FUNDING BE USED?

Each community foundation will structure their subfund to suit their local context, however there are a number of aspects that will be common to all four Foundations:

- New grantmaking subfunds will be created at each community foundation to disburse grants each year in perpetuity. Donations (from the community and government) will be invested and the income earned will be returned to the community in the form of grants.
- The grantmaking from these subfunds will focus on alleviating

disadvantage.

- Subfund advisory committees will be established to have input into the operation of the new fund in liaison with the Board. These advisory committees will comprise people who have a strong knowledge of the local community and the issues at hand.

The Ballarat Foundation's new subfund will support projects in Wendouree and Delacombe. The Southwest Community Foundation's new subfund will support projects in Colac. The Inner North Community Foundation and the Bass Coast Community Foundation will determine the focus of their new grantmaking subfunds in consultation with the community.

Raising \$100,000 in 12 months is a challenge at any time. The current economic climate makes this more difficult, but the 3:1 incentive offered by the Victorian Government and the fact that these funds will go on supporting local projects forever makes this a golden opportunity for people to make a difference.

While each fundraising campaign will be different, the approach of each Foundation will centre on common principles such as:

- Developing a clear campaign strategy that is understood by the Board, staff and volunteers
- Providing quality opportunities for local people and businesses to get active and feel rewarded
- Careful resource management to ensure activities do not stretch the organisation beyond its limits – as

community foundations operate on very limited staffing, in-kind support from local businesses will be key to their success

RECENT DEVELOPMENTS

Grantmaking is just one of the support mechanisms that community foundations offer their local communities. Their independence positions them perfectly to bring together people and organisations around issues of local concern to encourage collaborative planning and sharing of knowledge and resources. As the community foundations sector in Australia is maturing, this is becoming a key area of assistance offered.

Another exciting development is the Vital Signs project, which is being piloted by four community foundations through Australian Community Philanthropy. Vital Signs is a Canadian initiative that can best be described as a "community health check", tracking 10 indicators of community wellbeing over time.

The Ballarat Foundation is piloting the process and is working closely with the University of Ballarat to identify the key data indices that are relevant to their locality and to set up the tracking mechanism. The Ballarat Foundation will produce an annual Vital Signs report, which will be a one-page pictorial report card showing how the community is faring in 10 areas of wellbeing.

This is another example of how the independence of community foundations adds value to local communities as the information

THE INNER NORTH COMMUNITY FOUNDATION

- Established in 2008
- Has disbursed \$140,000 in grants to the local community in its first 18 months of operation.
- Funded projects have engaged 150 young people in training and work placement programs, 41 of whom have secured jobs.
- Total grant pool grew by 80% between 2008 and 2009.

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produced each year will make a strong contribution to programming and service planning by community and government organisations in each community.

Another key development that is already making a difference in rural towns is the recent enhancements to Foundation for Regional and Rural Renewal FRRR's status which helps to increase the range of organisations in small towns that are eligible to receive grants.

Community Foundations are still bound by Australian legislation that prohibits them from granting funds to sports, religious, political or government activities. However, through special provisions afforded to FRRR, organisations in small towns that do not have DGR (deductible gift recipient) status can now be eligible to receive grants if their community

foundation has formalised an agreement with FRRR in respect of the new provisions. The developments are particularly important in small towns where many organisations do not have DGR status and therefore could not previously receive many of the grants on offer from their community foundation.

Organisations seeking more information about this are advised to contact their local community foundation.

MORE INFO:

www.philanthropy.org.au/commfdns/index.html

www.australiancommunityphilanthropy.com

www.frrr.org.au

www.dpcd.vic.gov.au

THE BALLARAT FOUNDATION

- Has contributed over \$1,000,000 in grants and support to the local community since 2001.
- Supports students at 68 primary schools across the region annually through the 'Back to School Voucher' program.
- Recently built a 7-Star Low Energy Charity Home to demonstrate energy efficiency practises locally through home design, building and installations. Proceeds from the sale of the home will boost its grantmaking.
- Is piloting Vital Signs in Australia, a very successful 'Community Check-Up' developed by Community Foundations across Canada.

Get in touch:

www.ballaratfoundation.org.au | 03 5329 4613



SOUTHWEST COMMUNITY FOUNDATION

- Established in 2007
- Raised around \$120,000 in the first two years of operation from private donations, fundraising activity and allocations from various regional organisations.
- Contributed \$4755 in grants and support to the local community in 2007/8.
- Has an annual 'South West Community Foundation Day' which is actively supported by the media and regional corporate and not-for-profit organisations.

Get in touch:

www.southwestcommunityfoundation.com | 0437 756 082

SOUTH WEST
COMMUNITY
 FOUNDATION
From the Ground Up