What is a Community Foundation?

A community foundation is a tax-exempt public charity serving people who share a common interest — improving the quality of life in their community and beyond.

WHAT IS A COMMUNITY FOUNDATION?
A community foundation is a collection of charitable funds established by individuals, families and organizations—a tax-exempt, publicly supported foundation governed by its own board of directors. The first community foundation was created in Cleveland, Ohio, in 1914. Today, more than 740 community foundations in the United States manage an estimated $58 billion in assets.

Community foundations are overseen by volunteer boards of leading citizens and run by professionals with expertise in knowing their communities’ needs. In addition to making grants that advance charitable activities in their localities, community foundations also identify current and emerging issues, stimulate resources to address those needs and help their communities prepare for the future.

WHAT DOES A COMMUNITY FOUNDATION DO?
A community foundation receives charitable gifts, manages charitable assets and makes charitable grants. Community foundations offer several types of funds to help donors achieve their charitable goals and to meet community needs. Donor-advised funds allow donors to make recommendations about how charitable grants are made from the fund. Many donors establish donor-advised funds as an alternative to setting up their own private foundations, with fewer administrative burdens and generally greater flexibility and tax benefits. In addition to donor-advised funds, community foundations offer:

- Designated funds, which benefit a particular charitable organization or program
- Scholarship funds, which enable qualified students to pursue their academic dreams
- Field of interest funds, which allow donors to dedicate gifts to an area of charity that is particularly meaningful to them, such as education, health care, children, the elderly or arts and culture
- Unrestricted funds, which are used by a community foundation in competitive grant making to meet critical community needs
- Agency funds, which allow nonprofits to benefit from a community foundation’s experience
Ten Reasons to Give Through the Foundation.

One
Ours is a local organization with deep roots in the community.

Two
The Foundation is well-respected and experienced with philanthropy in the Fremont area. Our Board is comprised of experienced community leaders who understand the needs of our area.

Three
We provide highly personalized service to meet each individual’s charitable and financial goals.

Four
Our funds help people invest in the causes they care about most.

Five
We accept a wide variety of assets, and can facilitate even the most complex forms of giving.

Six
We partner with professional advisors to create highly effective approaches to charitable giving.

Seven
Each gift receives the maximum tax deduction available under federal law.

Eight
We multiply the impact of your gift by pooling your investment with other funds to enhance investment returns.

Nine
We build endowment funds that benefit the community forever and help create personal legacies.

Ten
The Foundation is a community leader, convening agencies and coordinating resources to create positive, local change.

Benefits of Establishing a Charitable Fund

• Maximum tax advantages. As a public charity, donors enjoy the most favorable treatment from the Internal Revenue Service whether a gift is in the form of cash, stock, real estate or any other planned giving vehicle.

• Expertise. A fund established with the Foundation is subject to our investment policies and will be administered expertly by professional investment managers selected by the Foundation’s Investment Committee. Funds, which are pooled for investment purposes, have access to greater diversification and are generally charged lower fees than if they were invested individually. All of this contributes to maximizing earning potential.

• Flexibility. The Foundation manages a wide variety of funds and provides a number of giving options to meet your charitable goals and financial needs.

• Convenience. Our experienced staff handles all fund maintenance and manages due diligence, record-keeping, investment oversight and tax reporting – all for a simple, low fee.

• Recognition. Donor recognition is always assured, in our marketing materials, on our website and during annual Foundation events.

For more information on how to establish a charitable fund, contact Melissa Diers, Executive Director at the Fremont Area Community Foundation at (402) 721-4252 or mdiers@facfoundation.org.