



Community foundations

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Understanding and supporting
women and their organisations

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What are community foundations?

Community foundations are charities, located across the UK, which are dedicated to strengthening local communities, creating opportunities and tackling issues of disadvantage and exclusion. They hope to target grants that make a genuine difference to the lives of local people.

Community foundations are charitable trusts created by and for local people that support local community causes. Their role is to manage donor funds and build endowments as well as make grants to charities and community groups. Community foundations are a mechanism for linking local donors with local organisations to address local needs. Foundations exist to encourage and support local philanthropy, making it a rewarding experience for the donor.

How do community foundations work?

A community foundation manages funds donated by individuals, organisations and corporate donors and allows donors to specify how, where and over what period of time their money is spent. Gifts of cash, shares, trusts, bequests and property are pooled in multipurpose endowment funds, creating a capital sum whose earnings address donors' specific interests. This makes them different from other funders as they act as a link between donors and local needs, connecting people with causes, and enabling clients to achieve more than they could by themselves.

How are community foundations funded?

All community foundations aim to become self-financing. They charge major donors for the grant-making done on their behalf as giving through a community foundation is straightforward and takes less time and money than if donors were doing this work themselves. Many foundations have members who pay an annual subscription towards running costs and/or do local fundraising.

Community foundations should have strong connections within their local communities and contact with local people and organisations should create essential 'grassroots' knowledge. This sets community foundations apart from other grant-makers and hopefully ensures that donations are accurately targeted to achieve the greatest impact.

Some foundations have built up an administrative endowment to produce a stream of income, usually from donors who want to fund the development of philanthropy itself. In the initial stages of development, foundations often receive help from other charitable trusts that support the community foundation model and are keen to see a revival of this kind of philanthropy.

Where did community foundations come from?

Community foundations are part of an international movement. The first community foundation was established in Cleveland, Ohio, USA in 1914 and there are now more than 1,440 community foundations in over 35 countries. At least 700 have been established in the United States alone and in 2006, US community foundations had collective assets of US\$51.2 billion and made grants to the value of US\$3.7 billion.

How many community foundations are there in the UK?

Community foundations have been active in the UK since the 1980s and there is a rapidly growing network of nearly 60 foundations, covering all of Scotland, Wales and Northern Ireland, and most parts of England. Most English community foundations cover a whole county, though some operate in smaller areas. Community foundations in Wales, Scotland and Northern Ireland cover the whole of their countries.

The first UK community foundations appeared in the late 1970s. By 2009 there were 57, of which 45 are quality accredited. Almost all of the UK population (over 95%) has access to a community foundation.

How much money has been distributed by community foundations in the UK?

By March 2008, community foundations held nearly £200 million in committed endowed giving. Foundations in the UK distribute about £70 million a year in grants and many community foundations distribute over £1 million in grants a year. Over £322 million has been distributed in grants by community foundations in the last five years. Combined, community foundations are one of the largest non-government grant-making bodies in the UK.

Foundations usually offer a variety of funds: a general fund for their area, plus several other funds for specific purposes, such as a community arts funds, health funds or **women's funds**. They may also provide a wide range of support to small community groups.¹

Many community foundations have previously managed government funds such as Local Network Fund, Neighbourhood Renewal Unit Community Chests, or funds from the European Social Fund and now manage national grant programmes including Comic Relief, Fair Share Trust and Grassroots Grants.²

¹http://www.communityfoundations.org.uk/uploads/files/COMMFOUN_FS6_proof3%20capacity.pdf

² Grassroots Grants is a £130 million government programme running from 2008 to 2011. It consists of a £130 million endowment challenge, with the government doubling or trebling donations, and an £80 million small grants fund. The endowment challenge creates a lasting pot of funding

Example of women's organisations receiving community foundation funding:

In 2007 WRC found that in the 2006/2007 financial year 46% of Rape Crisis Centres surveyed had applied to community foundations for funding. However, only 9% of them received this funding, a total of £15,175 over 3 separate grants.

Women's Resource Centre and Rape Crisis (England and Wales). *The Crisis in Rape Crisis* (2008)
WRC: London

What do community foundations fund?

Community foundations fund local community groups and voluntary organisations.

Community foundations can meet all areas of community need, for example:

- arts and culture
- education
- environment
- health
- community development
- children and young people
- older people
- employment and training.

Each community foundation sets its own priorities, and reviews them frequently. A foundation's grant-making programme varies according to donor's wishes and the perceived needs of the communities they serve. Each community foundation should make its grant-making policy publicly available.

Each community foundation covers a specific area of the UK and will not normally be able to support work outside its area. They are unlikely to donate to major capital appeals, or to consider standard appeal letters. Most would also rule out projects and services with an exclusively religious purpose. They could not support any work with a party political content.

Only a few community foundations have funds available to help individuals, and then only for people who meet precise criteria, for example, a fund specifically for young people leaving care. Usually the emphasis is on grants to community groups and projects.

Who makes the decisions about grants?

A board of trustees, ideally drawn from all sectors of the local community, govern a community foundation's grant-making. Foundations should also draw on expert advice from the community by involving volunteers in grants committees.

Some community foundations have many funds from which to make grants, such as women's funds, community arts funds or health funds. They will either advise you on the most appropriate fund to apply to, or have a common application form for all their funds.

How can I find out about my local community foundation and how to apply for funds?

Established in 1991, the Community Foundation Network is the national network linking, promoting and supporting nearly 60 community foundations across England, Northern Ireland, Scotland and Wales. The Network is a strategic partner of the Office of the Third Sector, taking an active role in its programme to expand charitable giving.

The Network's website includes a locator for your local community foundation and local Grassroots Grants funder (see below).

To apply for a grant you will need to contact your local community foundation and speak to the grants advisor there to help you through the application process.

Resources on community foundations:

Community Foundation Network - www.communityfoundations.org.uk

Philanthropy UK information on community foundations - www.philanthropyuk.org/AGuidetoGiving/Howtogive/Communityfoundations

UK foundations:

These should all be listed on the Community Foundation Network and include:

Capital Community Foundation (London) - www.capitalcf.org.uk

The Community Foundation for Northern Ireland - www.communityfoundationni.org/opencontent/default.asp?itemId=1

The Community Foundation in Wales - www.cfiw.org.uk

Scottish Community Foundation - www.scottishcf.org

International:

Global Fund for Community Foundations - www.wings-globalfund.org

Community Foundations (USA) - www.communityfoundations.net

Transatlantic Community Foundation Network - www.tcfncfc.ca

About the Women's Resource Centre

WRC is a charity which supports women's organisations to be more effective and sustainable. We provide training, information, resources and one-to-one support on a range of organisational development issues. We also lobby decision makers on behalf of the women's not-for-profit sector for improved representation and funding.

Our members work in a wide range of fields including health, violence against women, employment, education, rights and equality, the criminal justice system and the environment. They deliver services to and campaign on behalf of some of the most marginalised communities of women.

There are over ten thousand people working or volunteering for our members who support almost half a million individuals each year.

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