

Community Foundations

Innovative Vehicles for Rural and Northern Development

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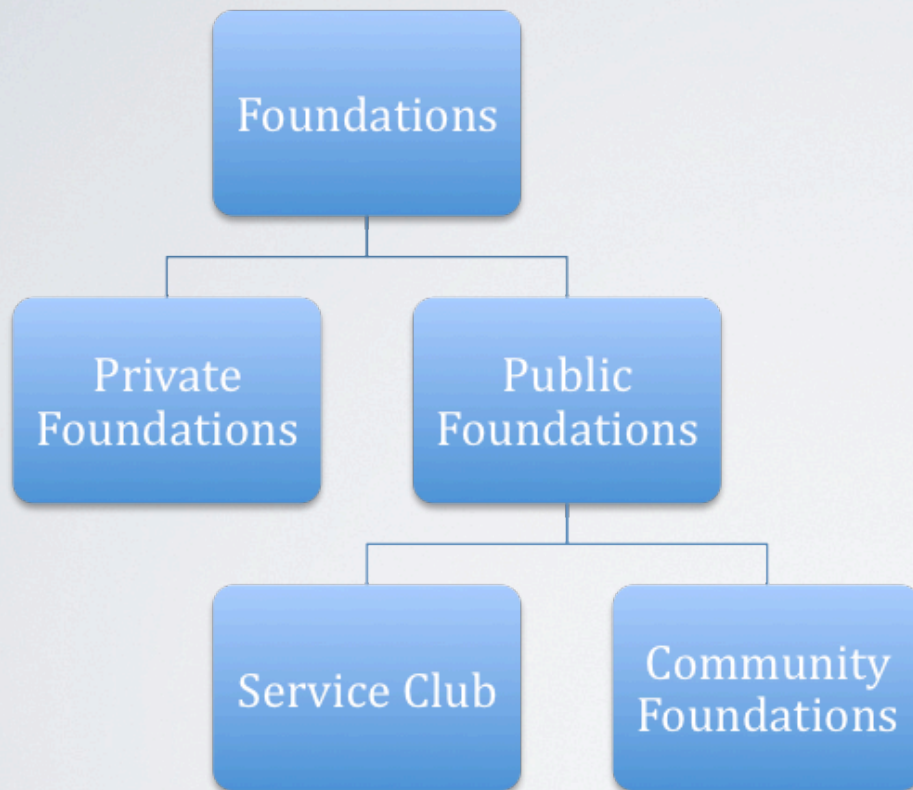
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Overview

- Introduction to community foundations
- Review of community foundations in Manitoba
- Role of community foundations in rural development
- Questions and discussion

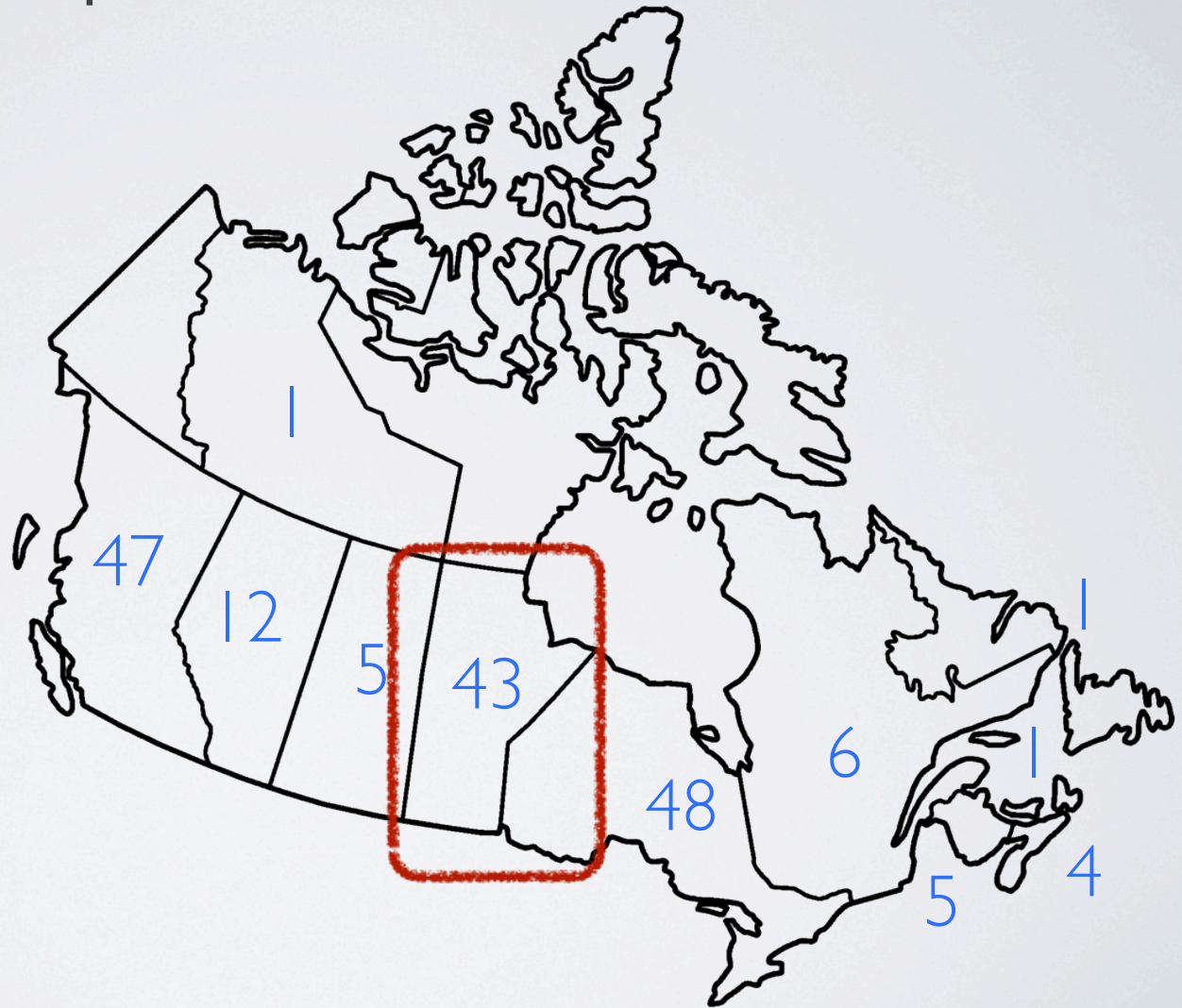
Community Foundations



- charitable organizations registered with Canada Revenue Agency
- governed by a board of directors
- focused on long-term endowments and granting funds to community initiatives

Geographic Distribution

- 173 Community Foundations in Canada
- In 2007:
 - \$2.9 billion in assets
 - \$175 million in local grants



Importance of Community Foundations

- Community foundations represent a mechanism for community development and vitality
- Community foundations represent a perpetual funding source for communities/regions
- Able to respond to decreased services in rural and northern communities
- Timeline for the 'peak' transfer of wealth quickly approaching

Transfer of Wealth

- Transfer of wealth is an estimate of the household wealth transferred from the current generation to the next
- The timeline for transfer varies by community based on age of residents
- Limited transfer of wealth information in Canada

Nebraska TOW Case

Estimated Transfer of Wealth	\$94 billion
At 5% capture rate by community foundations	\$4.7 billion
At 5% annual payout rate	\$235 million

Manitoba Context

- 43 community foundations in Manitoba
 - oldest community foundation established in 1921
newest community foundation established in 2009
 - 25% of community foundations in Canada
3% of national population in Manitoba
 - 42 in rural and northern communities
- Challenge grants from Thomas Sill Foundation was a catalyst for the creation of many rural foundations in the 1990s

Endowments & Grants

- Total **assets** of rural and northern community foundations in 2007 were **\$30,354,278**
 - In 2007, CFs received in excess of \$2.5 million in tax receiptable gifts
 - Since 2003, total assets increased by almost \$10 million
- Total **grants** to qualified donees provided by rural and northern community foundations in 2007 was **\$1.2 million**
 - \$5.5 million in grants from 2003 - 2007

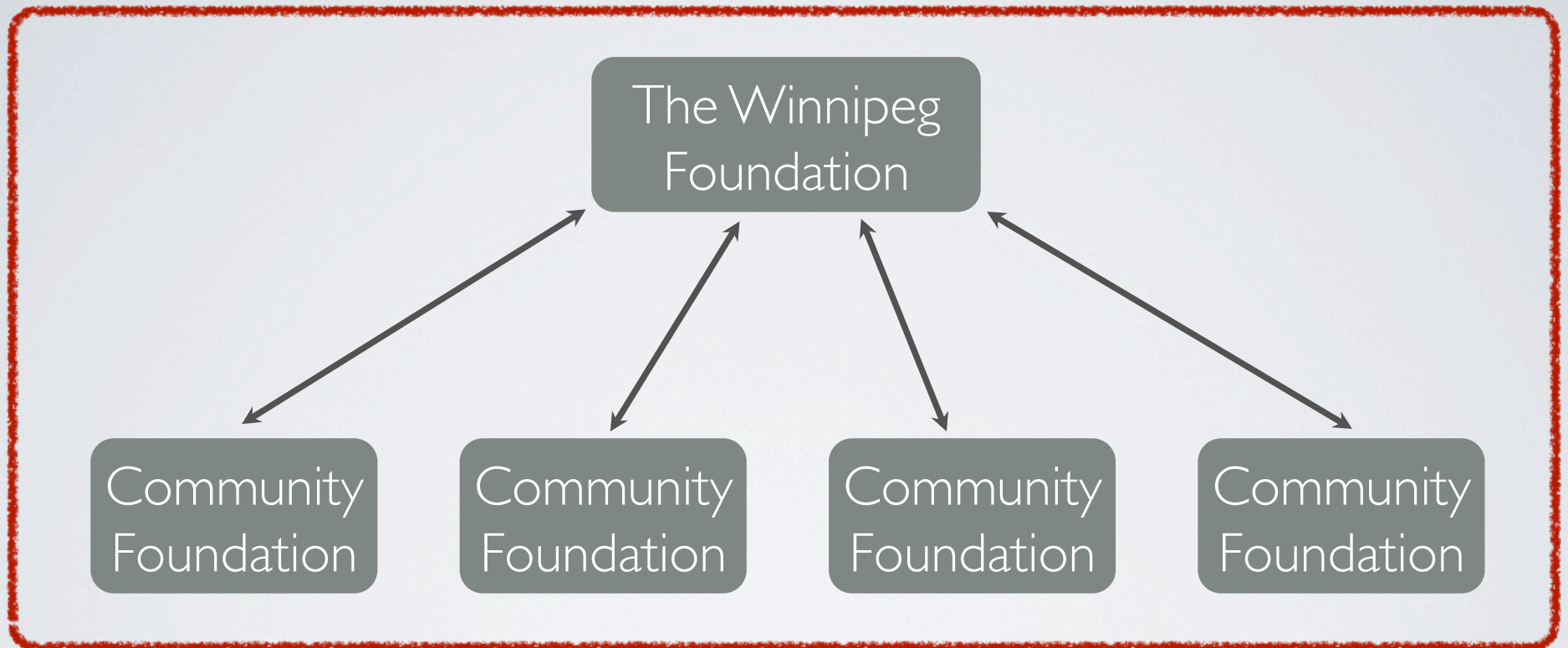
Illustrations of Grants

- Scholarships and educational supports
high school students, targeted scholarships, literacy programs
- Culture and the arts
museums, cultural centres, heritage sites
- Health and social services
hospitals, nursing homes, wheelchair accessible transportation, food banks, senior services, immigration support
- Environment
habitat conservation, recycling, parks

Lessons from Manitoba

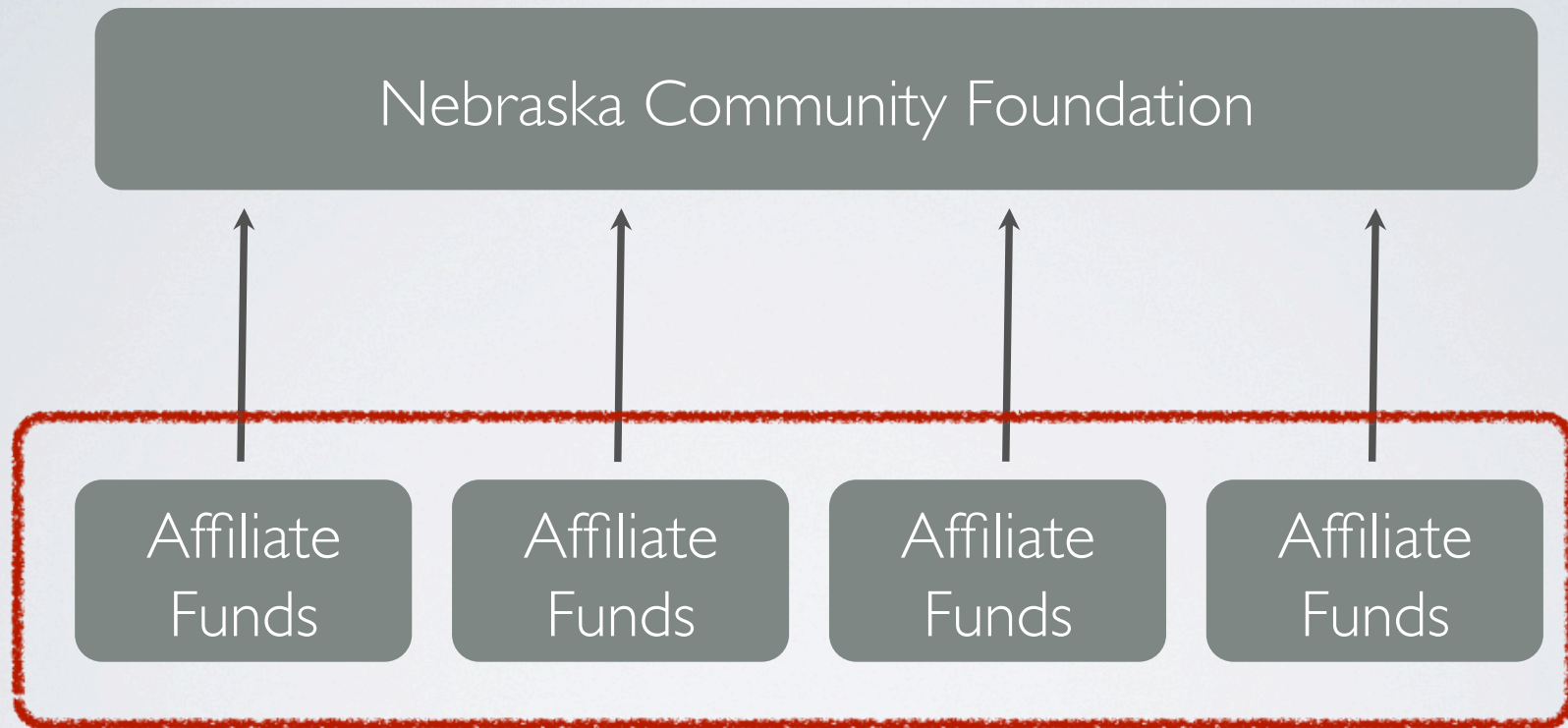
- Community Development Perspective
 - Raising the profile of community foundations can be challenging
 - Common opportunities and challenges among community foundations, however, limited collaboration among foundations
- Policy Perspective
 - Need for awareness of foundations among provincial and federal policy makers and government offices in communities
 - Need to explore opportunities for government programs/policies to assist foundations
- Research Perspective
 - Need better understanding of transfer of wealth in rural and northern communities in Canada
 - Need to encourage more research on community foundations and philanthropy

Model in Manitoba





Each is a separate charity to CRA
Each responsible for soliciting donations, tax receipting, granting,
annual CRA submissions, and investment management

Model in Nebraska



Responsible for collecting donations, planning priorities, annual granting
Not responsible for processing tax receipts, annual taxation
submissions, or managing investments

	Manitoba 	Nebraska 
Soliciting donations	Local CF	Local AG
Donor relations	Local CF	Local AG
Tax receipting	Local CF	State CF
Taxation reports	Local CF	State CF
Annual granting	Local CF	State CF
Priority setting	Local CF	State CF
Investment management	Local CF	State CF

Vehicles for Rural Development

- Community foundations
 - can leverage additional sources of funding through local granting
 - are community/regionally driven organizations
 - can respond to decreased service delivery in many rural communities by government and/or private sector
 - able to determine granting priorities irrespective of government funding programs
 - provide perpetual annual granting to support community priorities

NL Context

- The Community Foundation of Newfoundland and Labrador
 - Established in 2002
 - Total assets of approximately \$500,000 (in 2008)
 - Total grants by CFNL approximately \$46,000 (in 2008)



COMMUNITY FOUNDATION OF
NEWFOUNDLAND AND LABRADOR

Acknowledgements

- Rural and northern community foundations in Manitoba
- The Winnipeg Foundation
- Rural Development Institute, Brandon University
- Leslie Harris Centre of Regional Policy and Development

Further Information

- Rural Development Institute, Brandon University
www.brandonu.ca/rdi
- The Winnipeg Foundation
www.wpgfdn.org
- Community Foundation of Newfoundland and Labrador
www.cfnl.ca
- Community Foundations of Canada
www.cfc-fcc.ca
- Nebraska Community Foundation
www.nebcommfound.org

Questions

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