

AUSTRALIA

Community foundations

History

Australia's first community foundation, the Victorian Community Foundation, was established in 1983 by the ANZ Bank Trustees. This was not a traditional community-"owned" community foundation. The first public community foundation, the Tasmanian Community Foundation, was launched in 1995 and the Melbourne Community Foundation in 1997. In 2000, the Foundation for Rural and Regional Renewal (FRRR) was established with one of its specific objectives being the support and development of community foundations. This was done with funding to assist with feasibility studies and start-up in rural and regional Australia. Funding came from the Australian Government's Department of Transport and Regional Services and also the Sidney Myer Fund, ANZ Bank and the Pratt Foundation.

This initiative was in response to concerns that support and services in rural areas were declining with the focus by government on economic rationalism, service development in major cities, and governments reducing services in rural areas. People felt they did not have the ability to take control and have major input into their own lives, their communities and to have impact on improving the conditions of their communities and the lives of those people in need.

Also in 2000, Philanthropy Australia, the membership association for philanthropic trusts and foundations, made the support and development of community foundations one of its principal objectives.

Some early funding assistance came from the Charles Stewart Mott Foundation. Growth was quite rapid and in March 2008 there are 30 established community foundations in Australia with investigations at various stages for a further 9. One community foundation has recently been established in an urban area, covering three local government areas of Melbourne. Its initial donor is an employment service for disadvantaged job seekers.

Community foundations can be found in all the states and territories of Australia with the exception of the Northern Territory where the concept is under discussion. The Northern Territory is very sparsely populated with a high level of transience and a young average population age.

The reasons for starting community foundations in Australia remain very similar to those in 2000.

Current situation: Facts and figures

Number of community foundations formally established in total.	30
Number of community foundations established in 2007.	3
The number of community foundations at early stages of development.	9
Percentage of country's territory covered by community foundations.	70%
Percentage of population that has access to a community foundation.	80%
Total number of people with access to a community foundation.	15 million
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Decreasing

With potential coverage of 80 percent of the population and limited funding for start-up and administration support, it is not easy to develop new foundations. What is being encouraged and more likely to happen is that suburban funds will form under established community foundations such as the Melbourne, Sydney or Western Australian Community Foundation. This will give the opportunity for people who are "notionally" covered by a community foundation to really engage with their regional fund and local community. There are several areas of rural Australia which are still investigating the community foundation concept and these might emerge. The major difficulty is a lack of an easily accessible source of seed funding for the first 5 to 10 years.

Total sum of grants made by community foundations in 2007	A\$7 million/ approximately US \$6,429,510
Total number of grants made in 2007.	527
Total sum of the income/donations in 2007.	A\$18 million/ approximately US \$16,535,000
Single largest source of income for community foundations	Donations from individuals. Bequests were the largest source of new funds. Investment growth in 2007 was very significant.
Total sum of endowments at the end of 2007.	A\$133 million/ approximately US \$ 122,160,685
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Greater Melbourne Community Foundation A\$ 85 million/ approximately US \$78,072,620

Note: Currency conversion as of 31 March 2008.

Complete list of community foundations

For a listing of Community Foundations, go to: www.philanthropy.org.au , and then go to the Community Foundations Gateway to see the listing.

Or contact Mr. Andrew Lawson, Community Foundations Development Officer, Philanthropy Australia at: ajlawson@bigpond.com.au

Community foundation staffing

In Australia there is a mix of administrations for community foundations. Volunteer-run community foundations would be approximately 20 percent of the total, and usually the volunteers are on the board. The great majority have one or maybe two paid part-time staff members. Approximately 14 percent have one up to 4 paid full-time staff members. It is only these latter organisations that have specialists in fund development, grantmaking, administration, etc.

Community foundation income

Income

This information is currently in the process of being collected and collated. It would be a reasonable estimate to say that around 90 percent of new income to Australian community foundations came from individuals and families, 5 percent from corporate sources, and 5 percent from local foundations.

Purposes

Grants for operating funding are very difficult to obtain in Australia. The Western Australian Community Foundation has been well-funded by corporates, but it is an exception. With regard to new income or gifts to the foundations, the split is around 65 percent for unrestricted grant making, 30 percent for donor advised grant making, and 5 percent pass through funding. As a general rule, community foundations are encouraged to seek unrestricted donations to enable grantmaking which responds to community needs, especially while they are small and in the start-up phase.

Permanent funds/Sustainability

The estimate is that around 90 percent of new funds donated to community foundations in Australia go into endowment funds. If the few largest community foundations were removed from the calculation, the answer would be very different and a large percentage of funds donated to smaller community foundations would be for flow through grantmaking.

Environment for philanthropy

Local attitudes

There is a long history of philanthropy in many areas of Australia with some very old foundations/trusts in place that are very supportive of the whole range of charitable objectives as set down over the years by British charitable law.

The attitudes to community foundations are very good. However, there is major education program needed to ensure that the population and potential donors are aware of the community foundation movement and what it is capable of achieving. The message from major “not for profits” that have significant advertising budgets and have been raising funds for their programs over generations are often on the top of people’s consciousness when they consider bequests in their wills. The community foundation movement has a major education job to do to become one of the “charities of choice” for charitable/philanthropic people in our communities. In rural areas, community foundations have a better opportunity, in many cases, of getting their message through the competitive clutter of charitable demands, and these community foundations are having a very positive impact on their community’s attitudes towards philanthropy.

Legal and tax environment

In Australia community foundations that are both operating and grantmaking foundations have to live within a rather cumbersome structure of corporate trustee and a number of trusts. Not all donations to community foundations are tax deductible for donors. There has been extensive work in this area with the Federal Government, leading to the FRRR Community Foundation Budget Measure 2007 which enables FRRR to hold funds in Regional Donation Accounts. This will potentially have some benefits for rural and regional community foundations as they will be able to fund a broader range of charitable activities using (tax deductible) donated funds. The earlier work done in this area is being reviewed by the government of the new Prime Minister, Kevin Rudd, and further tax reform will be possible.

Changing attitudes and the national or local environment

Community foundations are playing an active role in developing the environment for community philanthropy. As more develop and operate in their communities of interest, the movement will continue to grow stronger and develop the overall health of the movement.

Philanthropy Australia and the Foundation for Rural and Regional Renewal are active in promoting the cause of the community foundation movement across Australia and fund an annual Forum for development and training of community foundation practitioners. These organisations also act as lobbyists with government agencies, as and when required. Community foundations are also beginning to work together on issues.

Community foundation activity and impact

Example 1. The **Geelong Community Foundation** was launched in December 2000. Geelong is a regional port city in the State of Victoria. The Foundation has a region around Geelong, which covers four municipal areas and a population of approx 350,000 people.

In 1998, a feasibility study established that Geelong could support a community foundation and in 2000 the Foundation was launched. Since the launch, the foundation has grown to having a corpus of A\$6.5 million (approximately US\$ 5,933,530). It has made approximately 75 grants worth a total of over \$1 million (approximately US \$912,850) in 10 grant rounds since being launched. The Foundation is now acting as a networking link with other foundations in the region, as well as United Way, FRRR and some private foundations, to focus on the regional issues and leverage support for significant projects and programs.

The foundation has recently completed a regional needs assessment to compliment the work of the many agencies operating in the region. For further information on the Geelong Community Foundation see the website at: www.geelongfoundation.org . This is a case where a community foundation has worked to mobilise assets in the community, and to maintain and grow them as a source of value for addressing community needs.

Example 2. The **Wingecarribee Community Foundation** has been very successful with their programs for youth in their rural region. They have developed a Youth in Philanthropy program which gives young people the opportunity to engage in youth philanthropy work, fund raising, grantmaking, etc., and they have the opportunity to develop their ideas into action.

Another very successful program is the development of a youth community radio station in 2004. This station was established to benefit all young people in the region with the aim of training young people in all aspects of this media and operation of a radio station. The station is focused on providing service to the region's youth. Today the station operates for 24 hours a day, 7 days a week.

Both these programs are very innovative for this region. For details on both these projects go to: www.wingecarribeecommunity.au/WCFProg.htm

Example 3. The **Melbourne Community Foundation** has embarked on an initiative called "MacroMelbourne". This is a partnership with the Committee for Melbourne, Melbourne Cares, Pro Bono Australia, the Victorian Local Government Association, the Victorian Council of Social Service, RMIT University, Deakin University and the Victorian Government. This strategic project started by looking at the available evidence in relation to disadvantage in Melbourne and then moved on to initiate projects aimed at addressing the issues identified. This project shows how a community foundation and a number of other agencies/government entities can put together a successful collaboration. For further details go to: www.communityfoundation.org.au/MacroMelbourne.PDF

Example 4. Community Foundation Initiative Impacting on Sustainability. In Australia, the tax regime requires that gifts that are tax deductible to the donor and made to a community foundation are pooled into one "Gift Fund Account". These funds are then invested, or some of the funds may be in the form of "pass through" grant funding. Funds made as grants from corpus investment income have to be made to charitable organisations that have authorised tax deductible status.

This works very well in major cities and many rural regions. Problems arise however when a community foundation in a very rural area does not have established charitable agencies to make grants to for the delivery of required projects and programs in the community.

Realising this some 6 years ago, the community foundation movement made a major submission to the Federal Government to establish a way forward for these rural community foundations. After long and detailed negotiations, a method of grant making through the Foundation for Rural and Regional Renewal has been developed such that most of the initial impediments to the community foundation's operation have been removed. (This is also referred to in the Legal and Tax Environment section above). The finer details of this program are currently being spread through workshops with the community foundation movement country-wide.

In this way a collaborative effort by the community foundation movement changed government policy and enabled the movement to work across all areas of the country including cities, regional and very rural areas.

Current challenges and future developments

Major challenges facing community foundations

The Foundation for Rural and Regional Renewal has as one of its goals the development of community foundations in rural and regional Australia. Support comes in the form of funding for feasibility studies and some assistance with start-up funding. As indicated earlier in this report, the majority of community foundations have limited part-time paid staff, while some have voluntary staffing only to do their development, administration and grantmaking. There are approximately 6 community foundations having between one and four full-time paid staff members.

The issue of funding for administration staffing has always been and continues to be the major challenge for the developing and yet to be formed community foundations in Australia.

There is not a good source of funding for this work in community foundations, and it takes time to develop a corpus and resources that can sustain a foundation. Most of the established private foundations and estates in Australia do not see funding of administration for the development of community foundations as a role which they wish to be involved with.

With this being the case, a community foundation has to be started up by community people who are very committed to the cause of community philanthropy and wish to make it succeed in spite of the shortage of funding available to resource such a project. This means that foundations that do succeed have been grown in a rather harsh environment, so they are very strong in spite of this lack in resources.

The three major issues for community foundations in Australia are:

1. funding to ensure sustainability,
2. profile raising, and
3. minimal paid administration support.

Areas for future community foundations development

There are a number of areas where community foundations will develop in the future. There will be new foundations and funds formed as part of existing foundations to cover many metropolitan regions of the major capital cities. The states of Victoria, Tasmania and Western Australia are becoming well served with established foundations. There is still significant scope for new foundations in some areas of New South Wales, Queensland and possibly the Northern Territory.

International links

There is an annual community foundation Forum held in Australia. Over the years there have been speakers at these Forums and meetings in various states with representatives from a number of community foundations in the US and Canada. Visits have been made by Australian community foundation representatives to community foundation conferences and meetings in the US, Canada and Europe. Australia hosted the community foundation peer learning program for the Philippines some four years ago.

The Community Foundation Development Officer for Australia is the WINGS-CF representative for Australia and New Zealand. The Melbourne Community Foundation's Chair worked for a period as the CEO of the Community Foundation Network in the UK some years ago.

All of these exchanges have been beneficial as we seek in Australia to develop our community foundations and community philanthropy and ensure that our foundations are up with accepted best practice in all areas of their operations. A number of possible initiatives to increase links with peer community foundations are being considered and may develop in 2008.

Support Organization: Philanthropy Australia

History and purpose

Philanthropy Australia (PA) is the peak body for philanthropy in Australia and is a not-for-profit membership organisation. The members are trusts and foundations, families and individuals who want to make a difference through their own philanthropy and to encourage others to become philanthropists. Philanthropy Australia's mission is to represent, grow and inspire an effective and robust philanthropic sector for the community.

Philanthropy Australia is the membership organisation for community foundations in Australia. The part-time Community Foundation Development Officer is employed by PA. The sector is linked in to the PA board through a Director having specific oversight of the community foundation movement.

A Community Foundation Website is part of the PA website. For further information on PA go to www.philanthropy.org.au

Other organizations that support and promote the development of community foundations

The Foundation for Rural and Regional Renewal has the support and development of community foundations in rural and regional areas as one of its objectives.

FRRR was formed in 2000 and has been a very good supporter of community foundations, with feasibility funding for communities looking at the possibility of starting a community foundation and start-up funding assistance for a number of community foundations which have moved from feasibility to start-up and development.

FRRR produced the Community Foundation Kit for communities exploring the idea of a community foundation and is a major funding supporter of the annual community foundation Forum.

FRRR gained initial capital funding from the Australian Federal Government and the Sidney Myer Fund and has since been supported by a number of other foundations and corporate organisations.

Structure and organization

Philanthropy Australia has a number of full-time staff members consisting of the CEO with an Executive Assistant, a Manager for Membership Services based in Melbourne and one based in Sydney, a Manager for Communications and Knowledge, a Research and Training Manager, a part-time Community Foundations Development Officer, a Web and Communications Administrator, plus a Knowledge Centre Administrator. For details see "About Us" at www.philanthropy.org.au

The main sources of income are from members with the community foundations at this early stage of development contributing a small share of total income.

For details of the PA Council see "Council" on the website at www.philanthropy.org.au The council is elected by members of PA from member organisations. Two of the council members have close involvement with the community foundation movement in Australia.

At least four times per year a teleconference is held where all community foundations across Australia can join in to discuss issues of relevance and be brought up to date with matters of interest from PA, FRRR and projects of interest being undertaken by the community foundations.

Recent accomplishments

1. While much of the detailed work was done by specialists, the successful outcome with the FRRR Community Foundation Budget Measure 2007 enables community foundations to operate in remote country areas through FRRR. This recent development is one which we have been involved with.
2. Recently we have worked with a consulting firm to do the feasibility study for the Southern Fleurieu Peninsula Community Foundation project. This project is in the hands now of this community to decide whether to go forward and launch a foundation.
3. We have obtained a grant from the Sidney Myer Fund and have installed the UK-designed DIGITS software at five community foundation locations in three states.
4. The annual community foundation Forum is an excellent way to spread the community foundation concept to potential new regions and to ensure that there is peer-to-peer contact on a nationwide basis at least annually. The Forum is used for training, as well as an opportunity to ensure good quality control on community foundation operations, attention to tax and legal developments etc.
5. The community foundation teleconferences, held at least quarterly, are a good way to update board members and community foundation staff on developments across the country in community foundation projects and programs. They also provide a valuable lead in to PA and FRRR for issues that require attention and an opportunity for FRRR and PA to give direct feedback to the members of the community foundation movement.
6. Over the past year we have given information to a number of indigenous groups across Australia who are interested in the community foundation concept as a way of preserving and investing current royalty payments. The aim will be to ensure that funds are available for use in developing alternative ventures to produce income when royalties decline and in some cases cease. To date these projects are still in the embryonic stage.

Current challenges/future developments

1. As the resources available for support of community foundations are quite limited and administration funding hard to generate, we do not have major numerical targets for setting up new community foundations on an annual basis. It is most important that the foundations already in existence are firmly established to ensure ongoing sustainability. In cases where communities are interested and keen to develop a new foundation, the resources, information, advice and support are given to ensure that the community moves through a thorough feasibility process. If the community then moves forward to form a community foundation, an application can be made for limited start-up funding from FRRR.
2. In Australia, we are moving to the stage where there is sufficient community foundation coverage across Australia to ensure that a donor awareness campaign, if run, could be effective. At some stage in the coming year or so, an attempt will be made to mount this type of campaign in support of the community foundation development effort.

Additional resources

For annual reports of individual community foundations, see the various websites of individual community foundations referred to during this report.

We are just now at the stage where all annual reports published by community foundations to cover the 2006/7 financial year are being consolidated to give a total picture of the movement across Australia.

Correspondent: Andrew Lawson, Community Foundation Development Officer, Philanthropy Australia

INDIA

Community foundations¹

History

While the Western models of community foundations are of recent origin, indigenous models of community foundations date back as far as the twelfth century. They did not have all the features of a modern community foundation, but in essence they were community foundations. The concept of the modern community foundation may be new, coming from the West, but the fact of community giving is ancient in India, a civilisation that has seen and inspired a huge tradition of giving. There is a growing realisation that raising local resources for local development with community involvement and monitoring is an effective alternative to bring about positive and planned change.

The first community foundation taking a modern form in India is The Bombay Community Public Trust (BCPT), established in 1991 by the Centre for Advancement of Philanthropy. Since the first community foundation was established in Mumbai, two other community foundations have also been established in Pune and Ahmedabad.

The Nav Maharashtra Community Foundation (Navam) was established in Pune in the State of Maharashtra in 2003 by a group of business people, media persons, and social workers, with initial funding from the Ford Foundation, and from local individuals, corporations, and other funding agencies and foundations. It covers the entire state of Maharashtra and focuses especially on the 70 percent of the population that lives in rural areas. Navam and the Bombay Community Public Trust are the two community foundations that come closest to the western definition.

The latest efforts to establish community foundations are being undertaken by Sampradaan Indian Centre for Philanthropy in New Delhi. Their primary focus has been on establishing community foundations in rural areas. The Mewat Foundation Trust (MFT) is the first rural community foundation in India. MFT is emerging as a model community foundation. SICP is also supporting two other community foundations: Kodagu Model Forest Trust and Sainik Sangh in rural areas.

India is just beginning to establish community foundations and increasing numbers may be in the offing. Factors which may have a positive effect on community foundation formation are:

- strong community base,
- need for an effective force for development,
- examples of success to emulate,
- religiosity and inspiring examples of rationally using religious sentiments for secular development,
- desire for decreasing dependency on large, external donors in the context of new economic development.

¹ Information in this section was compiled by Eleanor W. Sacks with information supplied by: Dr. Pradeepta Kumar Nayak, Programme Coordinator, Sampradaan Indian Centre for Philanthropy; Noshir H. Dadrawala, CEO, Centre for Advancement of Philanthropy; and Dr. Nirmala Pandit, Managing Trustee, The Nav Maharashtra Community Foundation (Navam)

Factors which may have negative effects include:

- poverty,
- lack of awareness,
- fear for the new,
- negative organisational competitiveness.

Current situation: Facts and figures

Number of community foundations formally established in total.	6
Number of community foundations established in 2007.	none
The number of community foundations at early stages of development.	3
Percentage of country's territory covered by community foundations.	5% approximately
Percentage of population that has access to a community foundation.	10% approximately
Total number of people with access to a community foundation.	Very small fraction
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Increasing

The community foundation concept is not well understood; most individuals and corporates would like to give directly to the beneficiary. The role and value of an intermediary to promote, foster, encourage and monitor good initiatives is not widely appreciated.

Establishing community foundations has been a challenging job. It takes time for people to understand and accept the concept. It also depends on the role of support organisations. SICP, for example, decided to work with only three community foundations in the beginning. Its policy has been to assess the feasibility and learn from the experience. Although there is a growing interest at a national level, SICP made a deliberate decision to check the rate of community foundation formation in India. The rate can increase after creation of successful models.

Total sum of grants made by community foundations in 2007	Very little, but complete information not available.
Total number of grants made in 2007.	Very little, but complete information not available.
Total sum of the income/donations in 2007.	Information not available.
Single largest source of income for community foundations	Largely corporate donors.
Total sum of endowments at the end of 2007.	Complete information not available. See information for BPCT below.
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Complete information not available. See information for BPCT below.

Information on the Bombay Community Public Trust: Information for the 2006-07 fiscal year

Total sum of grants made	INR 105lakh	US \$26,9230
Total number of grants	38	
Total sum of the income/donations	INR 11,252,000	US \$28,8512
Single largest source of income	A company	
Total sum of endowments	INR.1158,000	US \$29,692

Information on the Nav Maharashtra Community Foundation for the 2006-07 fiscal year:

Total sum of grants made	INR 1,102,345	US \$ 25,620
Total number of grants	29 to 18 organizations	
Total sum of the income/donations	INR 4,676,462	US \$108,700
Single largest source of income	INR 4,063,223	US \$ 94,450
Total sum of endowments	None	

Complete list of community foundations

1. Bombay Community Public Trust (1991)
Dr. Harsha Parekh
5th Floor Regent Chambers, Nariman Point, Mumbai-21
Phone: 022 – 2845928 / 2836672
Fax: 022 – 2836672
E-mail: www.bcpt.org
2. Sainik Sangha (1997)
Maj. Gen. A P S Chouhan,
Paurhi Garhwal, Uttarakhand, India,
Phone: 011-26891513,
E-mail: sainiksangh@sify.com
3. Ahmedabad Community Foundation (2000)
E-3 Vishrut Apartment, Next to A- One School, Near Subhash Chowk, Memnagar, Ahmedabad 380
052, Gujarat
Phone: 91-79-27498687, Email: info@acfindia.org
4. Nav Maharashtra Community Foundation (2002)
Dr. Nirmala Pandit, Managing Trustee
3, kalyan Apartment, Bhusari Colony, Kothrud. Pune - 411 038
Tel/fax: 91-20-25 28 52 77
E-mail: info@navam.net
5. Kodagu Model Forest Trust (2003)
Col C P Muthanna (Retired)
Pallibetta, Kodgu, Karnataka,
Phone: 08274-247285,
E-mail: muthana@sancharnet.in
6. Mewat Foundation Trust (2006)
Bakhtal Ki Chouki, MIA, Desula, Alwar,
Mobile: 09413631381
E-mail: munshikhanbalot@yahoo.com

Community foundation staffing

To be effective, professional (paid) staff are needed from the beginning for administration, finance and fundraising activities. Navam uses a mix of volunteers and paid staff. The paid staff maintain the accounts and monitor projects.

Community foundation income

Income

BCPT has built up a corpus of Rs394lakh and approximately 40 percent of its grants are made from income on corpus. Sixty percent of grants are made from donations. Of the donations, 50 percent is from companies, 30 percent is from foundations, and 20 percent is from individuals.

Navam is also receiving donations from: donors and their families, foundations, and corporate funding.

Purposes

BCPT and Navam have both been receiving donations for unrestricted grants and specific earmarked projects.

Permanent funds/Sustainability

BCPT utilises its income and donations fully. Navam does not have an endowment so far. It is raising funds from all available sources, including large foundations.

Environment for philanthropy

Local attitudes

India has a very old and strong tradition of giving, but it is mostly to individuals and to temples. Attitudes are both positive and negative. Some communities are philanthropic, while others are not. India is a vast country of diverse communities. Community philanthropy has depended on their culture and religion, education and awareness, economic conditions and community orientations. Poverty and individualism have been the obstacles. There is no tradition of organized giving. As yet very few individuals give to community foundations.

There is very little transparency in the workings of NGOs. Many NGOs shy away from publicity. Currently large numbers of younger people, who earn better than their counterparts in previous years, are ready to give back to the community, provided they are assured of a better use of their donations. They also demand better accountability, and transparency in the affairs of the organisations to which they donate. Community foundations seem to fill these gaps, in serving as a link between the donors and donees. Unfortunately, the impact of community foundations has not yet been felt widely in India due to their small numbers.

Legal and tax environment

The community foundations in India are registered as trusts or societies. The legal and tax incentives to community foundations are not different from trusts or NGOs. Individual or corporate donors can get between 50 percent to 100 percent tax deductions. There are no special incentives for community foundations, as there are no special legislations. Most organisations, including community foundations, have government restrictions on receiving funds from foreign sources. Government must reduce restrictions on receiving foreign funds from the diaspora and other foundations.

Changing attitudes and the national or local environment

Attitudes are changing for the positive. People are realising that the government machinery and the NGOs have limitations to bring about the expected change. Philanthropic organisations need to become more visible to the public, invest in branding and be completely transparent and accountable. It is important to establish community foundations. Until now community foundations have not played active roles.

Community foundation activity and impact

Descriptions of community foundation activities can be found on the websites of the Bombay Community Public Trust and the Nav Maharashtra Community Foundation.

www.bcpt.org.in

www.navam.net

The Navam Annual Report for 2006-07 is attached (please see Annex 14).

Current challenges and future developments

Major challenges facing community foundations

- lack of awareness/visibility in public
- mobilizing resources
- lack of significant impact
- proven credibility
- context of corruption
- no distinction in legal status of an NGO and a community foundation
- not much scope for accumulating resources and investments

Areas for future community foundations development

Rajasthan, Uttaranchal, Kamataka, Bihar, Punjab, North East India

International links

In 2000, the Ford Foundation made a grant of US \$45,000 to the BCPT to study community foundations in Asia and the US. It was a very interesting, eye opening and useful study tour of Hong Kong, Singapore and the US. Useful material and experiences were gathered, including the establishment of good contacts and networks.

Navam has not established international links so far, but doing that would be of great value both for the culture of philanthropy and community foundations. The exchange of ideas, methods of planning, evaluation, and monitoring, reporting and organisational learning would help community foundations to develop better strategies in their operations, and would encourage cross boundary transfer of resources both from the diasporas and foundations.

Support Organization: Sampradaan Indian Centre for Philanthropy

History and purpose

Sampradaan Indian Centre for Philanthropy (SICP) was established in 1996. The areas in which SICP has worked include: research and documentation, training and mentoring, monitoring and evaluation, and also convening activities. Between 2004 and 2008, SICP worked on good governance and organisational development.

Since its inception, SICP has been working on the preliminary stages of community foundations. In fact, community foundations have occupied an important place in the vision and mission statements of SICP. It aims at creating a movement of community foundations in different parts of India, by creating a few successful models in the beginning. At present, it is engaged in this experiment thanks to support by WINGS Global Fund for Community Foundations.

Other organizations that support and promote the development of community foundations

Centre for Advancement of Philanthropy (CAP) (see below). The Ford Foundation has also been active in promoting community foundations. The Nand and Jeet Khemka Foundation has also shown an interest in developing community foundations.

Structure and organization

Sampradaan is a membership association. Its staff is primarily concerned with the implementation of programmes, which are funded for the most part by project grants from donors.

Sampradaan has a governing council. Two of its 3 partner community foundations are represented on the board. The other partner is likely to be on the board soon.

Recent accomplishments

- Partnership with our partners has become stronger with more cooperation and credibility.
- Two partner community foundations have been inducted into the board, so that there is a greater transparency and participation in the community foundation-friendly decision-making.
- Three organizational development grants to SICP and its partners
- Perceptible progress in the concept and work on development of community foundations
- Invitation from different quarters of the country to help establish community foundations
- Working with National Institute of Rural Development to promote community foundations at the national level
- Closer interest in and involvement with local community foundations to help them in their programs

Current challenges/future developments

The major challenge lies in the fact of India being a big, diverse, polyglot, multi-ethnic country. There cannot be a single model of community foundations. Each culture and regional area needs to be looked at differently, which needs fresh minds and money.

Additional resources

The Sampradaan website is: www.sampradaan.org

Correspondent: Dr. Pradeepta Kumar Nayak, Programme Coordinator, Sampradaan Indian Centre for Philanthropy

Support Organization: Centre for Advancement of Philanthropy

History and purpose

The Centre for Advancement of Philanthropy (established in 1986) is a resource Centre specializing in areas of not-for-profit law, taxation, financial management, resource mobilization and Human Resource Development.

Its main programs and services include:

- consultancy services to a wide range of non-profit organizations in areas of registration, tax exemptions, finance, management, etc.;
- publications, which include a bi-monthly journal called “Philanthropy” and a range of resource books;
- seminars, workshops and training programs;
- research and dissemination of useful data and information on philanthropy;
- periodic representations to government on behalf of the philanthropic sector.

Other organizations that support and promote the development of community foundations

Ford Foundation (India)
Nand and Jeet Khemka Foundation
Sampradaan Indian Centre for Philanthropy

Structure and organization

CAP has about 500 subscribing members. It has four paid staff members and a Board of seven members. Its main source of income is foundation grants

Recent accomplishments

CAP produced a number of useful resource books and conducted several capacity building workshops all across India.

Current challenges/future developments

CAP plans to do a study of “Giving Trends”, especially among High Net Worth Individuals

Additional resources

The CAP website is: www.capindia.org

Correspondent: Noshir H. Dadrawala, CEO, Centre for Advancement of Philanthropy

JAPAN

Osaka Community Foundation

History

The Osaka Community Foundation (OCF), the first community foundation in Japan, was established on November 12, 1991 under a permit from the Ministry of International Trade & Industry. At the time Japanese business was still good, before the long recession of the 1990s. The Osaka Chamber of Commerce & Industry contributed 100 million yen to the original fund, after which the founding members followed.

There is a second, small community foundation in Japan, The Citizens (Shimin) Fund Kobe.

Current situation: Facts and figures

Geographic area served:	All of Japan, but Osaka Prefecture and its adjacent area in the main.
Population size of service area:	20 million
Total sum of grants made in 2007:	59 million yen (approximately US \$590,800)
Total number of grants made in 2007:	119
Total sum of the income/donations in 2007:	157 million yen (approximately US \$1,572,000).
Single largest source of income in 2007:	No. 1 = corporations No. 2 = individuals
Is there an endowment? Yes/No.	Yes.
If Yes, the size of the endowment:	1.35 billion yen (approximately US \$13,517,000)

Note: The yen-dollar conversion as of 28 March 2008.

Activities and impact

Most of our individual funds are restricted funds (field of interest funds), so we set up the Osaka Community Funds (endowment and non-permanent) as unrestricted ones in June 2006 in order to respond to broader grant needs. So far we have not gotten many donations to the Funds.

Operations and staffing

We have three staff. Two of them are paid staffers and one is seconded from a big company. They cover the areas of management, grant-making and finance.

Community foundation income

Income categories

About 40 percent of our income is from individuals, and 60 percent from corporations.

Purposes

Ninety-two percent goes for restricted grants, and 8 percent for operating costs.

Permanent funds/Sustainability

The Osaka Community Foundation is building an endowment to ensure sustainability. The total income in 2007 was 157 million yen (approximately \$1,572,000), of which 20 million yen (approximately US \$200,000) went to endowment.

Environment for philanthropy

Local attitudes

We have raised yearly donations of more than 100 million yen (over US \$1,000,000) since OCF was established without tax incentives to donors. Local people in our main area have been supporting OCF for the most part. A new law on public corporations was enacted in Japan that will begin on December 1, 2008. OCF will try to get a status as “public benefit enhancing corporation” so that donors to OCF can be provided with tax incentives. More and more fund raising will be expected.

Legal and tax environment

There are no legal and tax incentives especially for community foundations in Japan. Under the new law, if and when we acquire the above-mentioned status, giving to OCF will increase very rapidly.

Changing attitudes and the national or regional environment

OCF is still the only “community foundation” in Japan. Under the new law we would like to support the movement toward setting up community foundations in other cities here.

Current challenges and future developments

To gain the status as a “public benefit enhancing corporation” as mentioned above.

Meeting organizational support needs

There are no particular support organizations that are helpful to how OCF works.

International links

We invited Mr. Terry Mazany, President of the Chicago Community Trust, to attend and make speeches at our symposium held in Osaka in 2006, celebrating the 15th anniversary of our founding. His appearance and speeches had great impact on our local people.

Additional resources

The Osaka Community Foundation website is: www.osaka-community.or.jp. Materials on the website are available only in Japanese

Correspondent: Kosuke Horikawa, former Executive Director, Osaka Community Foundation. As of 1 April 2008, the Executive Director is Mr. Yoshifumi Yamamoto.

NEW ZEALAND

Community foundations

History

The organisations that were the forerunners to the current community foundations in New Zealand were variously established up to 16 years ago. One was an offshoot of a commercial trustee company (Wellington), one was a vehicle to fund specific community development activities around a community services village (Tauranga – Western Bay of Plenty) and one was a vehicle for corporate social responsibility established by the territorial local authority (Manukau).

Many of the people who became involved in those organisations (in both a paid and volunteer capacity) developed a bigger vision for their organisations and the contribution they could make to enhancing the quality of life for the people who lived and worked in their communities. A major catalyst for change for those early organisations – and a platform for the on-going development of community philanthropy in New Zealand – was a ‘generosity seminar’ hosted by one of New Zealand’s influential family foundations (The Tindall Foundation) in 2002. Attendees at that seminar were challenged to consider how they might “stitch generosity into the fabric of our (New Zealand) society”.

That challenge has been picked up across the country in several initiatives – the most cohesive of which is the development of a fledgling community foundation movement.

There are now 7 emerging community foundations at varying stages of development, plus one existing statutory trust (Whanganui) that is considering making the transformation into a community foundation.

The legal structures of the first three community foundations have all required revision in order to facilitate their development as true community foundations.

Current situation: Facts and figures

Number of community foundations formally established in total.	7
Number of community foundations established in 2007.	1 – Geysers Community Foundation in Rotorua
The number of community foundations at early stages of development.	2 – One group is actively investigating the establishment of a community foundation. One other is also in the early stages of consideration.
Percentage of country's territory covered by community foundations.	Not known
Percentage of population that has access to a community foundation.	30 percent
Total number of people with access to a community foundation.	1,274,444
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Very little change

See the detailed answer under Local Attitudes towards Philanthropy below.

Total sum of grants made by community foundations in 2007	NZ \$638,000. Approximately US \$489,000
Total number of grants made in 2007.	Not known
Total sum of the income/donations in 2007.	NZ \$579,000. Approximately US \$455,615
Single largest source of income for community foundations	Acorn Community Fdn – donations NZ \$107,000. Approx. US \$ 84,200; Manukau Community Fdn– sale of advertising for operating expenses NZ \$196,000. Approx. US 150,200
Total sum of endowments at the end of 2007.	\$5.7 million Approximately US \$ 4.4 million
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Wellington Region Foundation. NZ \$3.6 million. Approximately US \$2,832,840

Note: Conversion to US dollars as of 28 April 2008.

Complete list of community foundations

New Zealand Community Foundations

Acorn Foundation

Initially established as Compass Community Foundation (2002)

Area - Tauranga and the Western Bay of Plenty

Chair - Bill Holland

Contact - Nicky Wilkins

Address - PO Box 13604, Tauranga, New Zealand

Telephone - +64 7 579 9839

Advance Ashburton

Established in 2003

Area - Ashburton District Council geographic area

Chair - Neil Sinclair,

Address - PO Box 310, Ashburton, New Zealand

Telephone - +64 3 308 4301 Fax: +64 3 308 4301

Geyser Community Foundation

Established in 2007

Area - Rotorua District Council geographic area

Chair - Joe La Grouw

Telephone - +64 7 347 7962

Email - info@geysercommunityfoundation.co.nz

Manukau Community Foundation

Initially established as Trust Manukau in 2000 – current organisation formed in 2005

Area - Manukau City

Chair - Steve Chaney

Contact - Janis McArdle

Address - PO Box 200 114, Papatoetoe, Manukau City, New Zealand

Telephone - +64 9 277 8833

Northland Community Foundation

Established in 2005

Area - Wellsford north, including Kaipara, Whangarei District, Mid-north and Far North Districts

Chair - Jack Broome

Contact - Megan Dean

Address - PO Box 1844, Whangarei, New Zealand

Telephone - + 64 459 6327

The Community Foundation Hawkes Bay

Original organisation was called Transfusion Hawkes Bay and associated with the District Health Board.

Current organisation was established in 2003

Area - Wairoa, Napier, Hastings, Central Hawkes Bay

Chair - Peter Dunkerly

Contact - Janice Gilmour

Address - PO Box 2025, Stortford Lodge, Hastings, New Zealand

Telephone - +64 6 870 4648

Wellington Region Foundation

Established by Guardian Trust in 1991. Current organisation established in 2006

Area - Wellington, Hutt Valley, Porirua, Kapiti Coast and Wairarapa

Chair - Kevin O'Connor

Contact - Sue Piper/Adrienne Bushell

Address - PO Box 23 279, Wellington 6040, New Zealand

Telephone - +64 4 472 2470

Statutory trust interested in transformation:

Whanganui Community Foundation

Established as Trust Bank Whanganui Community Trust in 1989

Area - Whanganui, Rangitikei, Waimarino, Waverley and Patea

Chair - Kate Joblin

Contact - Judith Timpany/ Rachel Ritchie

Address - PO Box 365, Whanganui, New Zealand

Telephone - +64 6 348 8300

Community foundation staffing

The 6 of the 7 community foundations have paid staff who undertake a variety of roles: from CEO to marketing, donor services, grant making and general administration. Only 1 community foundation is run entirely by volunteers (Ashburton). In this case they are also board members.

Community foundation income

Income

Most new income into the New Zealand community foundations has come from individual donors – and predominantly through bequests. The Acorn Foundation in Tauranga (Western Bay of Plenty) has been the most successful in attracting this form of income.

New Zealand community foundations do not receive or distribute any government funds. Neither have any of the New Zealand community foundations attracted any support funding or funds for distribution from international sources.

Purposes

As all of the New Zealand community foundations are in a very early stage of development, most struggle to attract income to cover their operating expenses. With the exception of the Acorn Foundation, most of the new funds attracted into the rest of the community foundations in 2007 have been to cover operating expenses.

Permanent funds/Sustainability

Acorn Foundation has attracted NZ \$1.9 million (approximately US \$1,495,110) into its endowment fund due mostly to the realisation of some substantial bequests. The other community foundations are making very slow progress in building their endowment funds, although this is definitely part of their development strategy.

Sustainability is a significant, indeed critical issue, for all of the New Zealand community foundations. Most are surviving on small grants towards operating expenses either from the Tindall Foundation or from among their own board members. Acorn Foundation charges its donors an up-front fee to establish a named fund. Only the Manukau Community Foundation currently has a long-term income stream to cover its operating expenses and to build a small operating reserve, through a series of contracts with its local territorial authority for the sale of advertising on public amenities in the city.

Environment for philanthropy

Local attitudes

The New Zealand ‘charity’ marketplace is dominated by several large mainstream charities (disability, cancer, sports, faith-based). These all have well-established fund-raising programmes and loyal donors. This donor population has been well trained in ‘cause-related’ charitable giving. Therefore the concept of donor-driven giving is not as well-understood or promoted beyond the meagre advertising budget and word of mouth activities of the fledgling community foundations.

In addition, the ‘grant making’ marketplace is dominated by a group of regional community trusts (whose substantial assets were established from the sale of the trustee savings banks and energy distribution organisations), gaming trusts (including the national lottery) and liquor licensing trusts. All of these organisations have a multi-million dollar impact on the community sector.

A recent survey by Philanthropy New Zealand indicated that these statutory trusts (which have an explicit legal or statutory duty to give money away) distributed NZ \$742 million (US \$584 million) in 2006. By contrast the same survey measured personal philanthropy at NZ \$443 million (US \$349 million) and giving by the corporate and business sector at NZ \$89 million (US \$70 million). The full text of this survey can be found at:

http://giving.org.nz/files/Giving2006_print_1.pdf

This ‘domination’ of funding into the community sector by these large trusts has created a form of complacency among the potential donors to community foundations that their money is not needed. The challenge facing the community foundations is to place donors back at the centre of the ‘giving equation’ and allow them to understand how they can have their charitable needs met while impacting on the community causes that really matter to them.

Legal and tax environment

There are no special legal or tax incentives for giving through community foundations in New Zealand.

On April 1, 2008 a change in the tax laws increased the rebate available to individual donors, closely-held companies and publicly-owned companies on donations made to registered charitable trusts.

Some commentators believe that this more generous tax regime may boost charitable giving in general. Earlier surveys indicate that the reasons people in New Zealand said they gave to charity was not influenced by getting a tax break.

Changing attitudes and the national or local environment

The philanthropy scene in New Zealand is fairly static. Over time it is hoped that the emergence of one or two successful and high profile community foundations will draw attention to this form of giving and community engagement. It will however be a very long process to change behaviours and build a stronger culture of individual (and family) philanthropy.

Community foundation activity and impact

Example: Finding a creative way to give back to one's community.

The donor, Gregory Brownlees, gifted his funeral business, valued at more than NZ \$1 million, to the people of Tauranga. All profits from the funeral business will be distributed to the community annually, so that those who use his funeral services will be giving to the community at the same time. This unusual gift was organised by the chair of the Acorn Foundation, Bill Holland, and will be managed by the Acorn Foundation. To learn more about how this was done, please see the announcement of the gift at http://www.legacyfunerals.co.nz/index.php/pi_pageid/35

Current challenges and future developments

Major challenges facing community foundations

There are two main challenges: one is internal – with each new start-up community foundation struggling to build a sustainable income stream to cover its operating costs. The other challenge is external – the dominance of the existing statutory trusts which give the appearance that many of our communities are “awash with funds” for community activities so potential donors don't see the need for their contributions.

Areas for future community foundations development

Community foundations in New Zealand have the opportunity to partner at a local level with the larger statutory trusts to help leverage more of their funding into the community foundation's own territorial area. Community foundations may also take on the task of capacity building within the community sector in their areas. Many smaller not-for-profit groups struggle to attract funding due to the fragility of their governance and management structures, even though they are doing excellent and sometimes ground breaking work.

International links

The Manukau Community Foundation has just recently appointed Marion Webster, Chair of the Melbourne Community Foundation, onto its board, with immediate impact on the quality of its governance and opportunities to promote the community foundation among professional advisors. Manukau's CEO also recently visited the UK and met with colleagues in Scotland, London, Ireland and the Community Foundation Network – again an absolutely fabulous learning opportunity.

Board members from the various New Zealand community foundations are encouraged to visit with other community foundations when they are travelling on business or for personal reasons. Bill Holland from

Acorn did this several years ago and his learning from that contact (Australia) has certainly assisted Acorn's development and success.

New Zealand community foundations would welcome with open arms any opportunities for peer exchange or peer learning opportunities with our sister organisations around the world.

Support Organization: The Tindall Foundation

History and purpose

The Tindall Foundation is a private family foundation that has been operating in New Zealand for over 11 years. It primarily provides donations and supports initiatives that assist families and social services, but is also active in the fields of environment, community sector, enterprise and employment and promoting generosity and giving.

Their website is: www.tindall.org.nz

Other organizations that support and promote the development of community foundations

A range of other smaller organisations support individual community foundations in their regions (e.g. local councils, gaming trusts, community trusts) but none to a large or sustained degree, or at a national level like the Tindall Foundation.

Structure and organization

The Tindall Foundation has 4 paid staff, one of whom has community foundations as a small part of their portfolio of responsibilities. It is open to approaches from any community interested in emerging a community foundation in their region and work with them to develop a tailored set of funding 'milestones' that they go through over a 5-8 year period.

The Foundation's funding comes almost entirely from dividends on shares that were gifted by the founder.

The Foundation is governed by a Board of 4 trustees, none of whom are community foundation members. Its role is primarily as a funder and supporter of individual community foundations and the movement nationally.

Recent accomplishments

The Tindall Foundation continues to support the 7 original community foundations who signed up to funding milestone agreements with the Foundation 4-5 years ago. It appears that several have done very well, some are in a holding pattern and one is struggling to continue.

The Foundation is supporting the launch of another community foundation, and interest is coming forward to look at the viability of yet another new entity.

The Foundation promotes its association with community foundations widely – in annual reports, with other funders and government and through philanthropic networks, not always with success.

It also funds peer-to-peer gatherings and learning, including links to each other and community foundations in Australia and elsewhere where relevant. It believes that the best learning is between key individuals in New Zealand, as the environment here is quite different to other countries.

The Tindall Foundation has linked a research student to the movement, but has yet to see their report.

The Tindall Foundation does not seek to manage a programme through community foundations, but does make large grants from its Families and Social Services focus area available for re-granting within their regions, when they attain the capacity to do so.

Current challenges/future developments

In our opinion, the challenge in New Zealand for organisations wishing to support community foundations is the large amount of existing ‘community capital’ available to communities from the sale of publicly-owned assets, like savings banks and utility companies. This makes it difficult for donors to sometimes see the need for a separate body, even though that need is real and urgent. Communicating the community foundation concept and niche, then sustaining them through their set-up phase can also be difficult, but several have proven that it can be done and is worth the struggle.

Additional resources

Links to all the New Zealand community foundations are on this site.

www.nzcommunityfoundations.org.nz

Correspondent: Janis McArdle, Chief Executive, Manukau Community Foundation

THAILAND

Community foundations²

History

As a result of the economic crisis in Thailand in 1997, many Thais realized that nation lacked a “holistic development approach” to ensure sustainable communities, and that, in order to create change, all stakeholders are required to take collective action. Thais have a tradition of working together, yet this is mostly limited to assisting their own families, relatives and friends. The “holistic” community concept has not expanded to embrace the larger community. It can be said that Thais have a less-developed sense of “community” than some other parts of the world, even though historically, giving through the temple went to benefit the whole of society – not just family. Over the last decade the Thai government set up community funds in each Thai community. However, the community funds had some weaknesses in terms of equal distribution, good governance and a sustainable concept, etc.

There have been several stages in the development of community foundations in Thailand, funded and facilitated by local and international organizations. International organizations involved in promoting the development of community foundations have included: the Synergos Institute, Kenan Institute Asia, the Ford Foundation, the World Bank and the Bernard Van Leer Foundation and its Van Leer Group Foundation. Local organizations have included: the Local Development Institute; Center on Philanthropy and Civil Society, based at the National Institute of Development Administration; Friendship to Community Foundation, a local Thai consortium, and the Thai Health Promotion Foundation.

In 2005 The Synergos Institute held a meeting in Bangkok with GO/NGO representatives introduce the community foundation concept. In late 2005, 14 GO/NGO/academic institutions came together with the chair of Friendship to Community Foundation (FCF) to develop the Community Foundation Project. In the same year, the project was granted one-year of support from the Thai Health Promotion Foundation to develop four community foundations. It did not renew support for three of the efforts, but did continue to fund efforts in Bangkok. The local partners in the development efforts of the four community foundations were.

- **Kenan Institute Asia** – the Rayong Community Foundation
- **Kenan Institute Asia and Bangkok Forum Organization** – Bangkok Community Foundation
- **Local Development Institute (LDI)** – Lampang and UdonThani Community Foundations

The Thai Health Promotion Foundation is no longer funding efforts to develop community foundations. Friendship to Community Foundation ceased operating in 2007.

A grant of post-tsunami funds from the Bernard Van Leer Foundation to the Synergos Institute helped Synergos introduce the community foundation concept to Phuket in 2005 through several meetings with business and NGO leaders. A number of interested individuals emerged, who, in turn, used their networks of associates and relationships, their knowledge of community leaders with diverse backgrounds and

² The Thailand report was compiled by Eleanor W. Sacks from information provided by: Benjamas Siripatra, Deputy Secretary General, Local Development Institute /Foundation; Niyom Tassaneetipagorn, President, Phuket Community Foundation; and Jenny Hodgson, Director, WINGS Global Fund for Community Foundations.

skills, to form a Steering Committee in 2006. Discussions and meetings among the people interested in the concept were continued until November 2006 when the founding board decided to take on the community foundation seriously and submitted the registration application to set up Phuket Community Foundation (PCF), which was approved in April 2007.

Current situation: Facts and figures

Number of community foundations formally established in total.	4
Number of community foundations established in 2007.	2
The number of community foundations at early stages of development.	4
Percentage of country's territory covered by community foundations.	4 out of 76 provinces
Percentage of population that has access to a community foundation.	Not known
Total number of people with access to a community foundation.	Not known
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Increasing

Two community foundations were registered in 2006 – Lampang and Udonthani. Phuket was registered in April 2007. The World Bank Community Foundation Initiative piloted a community foundation in Korat, which was registered in May 2007. The formation of community foundations is being explored at five other sites: Bangkok, Rayong, Ranong, Satun and Songkla. In 2007, LDI was helping to form a civic group to establish the Ranong Community Foundation with budget support from World Vision International Foundation. Since 2007, the Centre for Philanthropy and Civil Society has provided support to civic groups in Satun and Songkhla provinces. The community foundations in Satun and Songkla plan to register in 2008. Rayong has been inactive since 2007.

Total sum of grants made by community foundations in 2007	Unknown
Total number of grants made in 2007.	Unknown
Total sum of the income/donations in 2007.	Unknown
Single largest source of income for community foundations	For the Lampang and Udonthani CFs it was a grant by the Thai Health Promotion Fund; Phuket CF has done fundraising in Phuket among business sectors, but its single largest donor is the Bernard Van Leer Foundation
Total sum of endowments at the end of 2007.	Lampang and Udonthani CFs have US \$6,000 each. Phuket has not yet set up an endowment fund. Korat is engaged in convening activities and fundraising for special projects.
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	NA

Complete list of community foundations

Addresses of Community Foundations in Thailand

Lampang Community Foundation (Northern)

29/1 Thai – Lanna Road
Hou Weing Sub District
Muang District
Lampang Province
Thailand 52000
Phone: 6681-472-5656
Fax: 6654-314-411
Established: 2006

Udonthani Community Foundation (Northeastern)

607 Soi Tharnlert, Ring Road
Muang District
Udonthani Province
Thailand 41000
Phone: 6642-242-002
Fax: 6642-322-401
Established: 2006

Phuket Community Foundation (Southern)

390/1 Moo1, Srisoontorn Road
Cherngtalay, Thalang
Phuket 83110, Thailand
Phone: (66 77) 270-978-81
Fax: (66 77) 270-990
Established: 2007

Korat Community Foundation

298/2 Mahadthai Road, Nai Muang Sub-district
Muang, Nakornrachasrima Province 3000
Thailand
Established: 2007

Community foundation staffing

The Lampang Community Foundation and Udonthani Community Foundations are run by volunteer Board members.

After establishing community foundations in Lampang and Udonthani, the Thai Health Promotion Foundation changed policy and ended its support in 2006. At present, both Lampang and Udonthani community foundations have tried to fund operations by doing small activities around fund raising.

Phuket Community Foundation has hired an administrator and is looking to recruit a director.

Korat Community Foundation has been run by volunteers to date, but they are considering hiring full-time staff

Community foundation income

Income

Lampang Community Foundation has done fund raising every year. The money from fund raising is deposited as endowment. They received 200,000 baht (about US \$6,000). There were four project budgets that came from business and individual donations.

Udonthani Community Foundation has done fund raising one time. The money from the event was deposited as endowment. They received 200,000 baht (about US \$6,000). There were five projects, whose budgets came from individual and government organization funds.

In 2007, Phuket Community Foundation received support of about 60 percent from international donors: the Bernard Van Leer Foundation and the WINGS Global Fund for Community Foundations. The other 40 percent was raised locally from individual donors, including local Phuket people, expatriates living/working in Phuket and PCF board members. All of the funding received is for unrestricted grantmaking, except the funding from the Global Fund which is to support the operating costs of the PCF.

Korat Community Foundation has organized several fundraising activities and received both in kind and cash supports from government, private, non-government sectors as well as individuals.

Purposes

There has been some small fundraising for specific programs at Udonthani and Lampang. All the income received by Phuket thus far has been for grantmaking. Korat is involved in convening activities, but not in grantmaking. Korat has done fundraising for local projects and for Southern Thailand, including two high profile fundraising events.

Permanent funds/Sustainability

In general, the development of community foundations in Thailand has not yet reached the stage of endowment building. The Phuket Community Foundation is the farthest along.

Phuket has not yet established an endowment fund, but the board plans to set up a fund in the future. With assistance from the Synergos Institute, they have developed an asset development plan. The next step in their working plan is to work with Synergos in developing a sustainability plan, which will include endowments and other means to ensure the foundation's long-term viability and development. Although they are planning to build an endowment fund, one constraint is how to make an endowment fund grow. Under Thai law, it is not possible for a charitable foundation to invest donated funds; all that may be done is to put the funds in a bank savings account.

Environment for philanthropy

Local attitudes

The community foundation concept is very new to Thai people. The most well-known and well-respected grant-giving organizations in Thailand are the foundations associated with the royal family. This is the primary form of philanthropic organization known to most Thais, and many Thai individuals and businesses

give donations to the royal foundations. Few Thais have any knowledge of, or experience with, other forms of grantmaking organizations.

On the recipient side, the formal organizations can be characterized as being in one of two categories: "charities" and "NGOs". Charities are established organizations, usually local, that focus on specific missions to provide direct aid to bodies/people such as hospitals or orphanages. Charities are generally professionally run and well-respected, but none have a stated mission to bring about social change or to involve local citizens (beyond involving volunteers). They often receive government support. In Thailand, non-governmental organizations are usually large international relief and development agencies. Their reputation is mixed and, particularly after the 2004 Asian tsunami, the term NGO has both negative and positive connotations. Through the community foundation concept, it may be possible to create and encourage a third kind of recipient organization, the smaller, less formal, more grassroots community action association.

Legal and tax environment

There are tax incentives for giving to charities, but they are not high enough to motivate either individuals or corporates to give to community foundations. For the community foundations, reporting donations is complicated as well. In addition to Thai regulations, foundations can only invest their asset in savings bank deposits, which limits their returns. Several CSOs are promoting the community foundation concept to policymakers, and are advocating for laws and reporting systems.

The low tax incentives and limitation of investment opportunities for community foundations are not the biggest problems. The best strategy for community foundations in Thailand is to raise funds for grant making, rather than for endowment in order to maximize the funds that reach out to needy communities, people, and children where community foundations exist.

Changing attitudes and the national or local environment

Thai people have a practice/habit of giving to religious and social causes. For Buddhists this is believed to make merit – stored up for one's next life. For Sunni Muslims – the second-largest faith in Thailand – *zakat*, or alms-giving is one of the five pillars of faith.

However, recently Thai people have become quite aware of the issue of the improper management and use of donated money by some organizations. An approach of donor participation and volunteering will help encourage a more supportive philanthropy environment.

The Phuket Community Foundation has discussed among the board some mechanisms to involve people participation in various forms, for example, sub-committees on particular issues, a volunteering project, etc. The foundation also appreciates the concept of the donor-advised fund and would like to introduce this innovative approach to our local communities.

Community foundation activity and impact

Example 1. Lampang Community Foundation. In 2006-2007, they raised specific funds for:

- The elderly health care project
- Friends of the Elephants project
- Organic farming
- Community welfare for the disadvantaged
- Community income generation for the poor project

- Teaching English for primary school project

Example 2. Udonthani Community Foundation. In 2006-2007:

- Democracy for local and national election for youth project
- Environmental Rehabilitation for Nong Han Lake project.
- Provincial welfare for the people project

Example 3. The Phuket Community Foundation is at the initial stages and spent most of the first year on organizational infrastructure development. However, in 2007 it did launch one initiative: to replace broken rear light bulbs on motorbikes, as a way to improve public safety at night. For this, the foundation received:

- donations of light bulbs from motorcycle dealers,
- the loan of a tent for doing the replacements,
- the loan of chairs from a local temple,
- the services of a team of students from the Phuket Technical College, and
- the help of police in stopping bikes with broken rear lights.

Over a period of three days the foundation replaced some 150 light bulbs, a slightly disappointing result caused mainly by heavy rain that kept motorcyclists off the roads. However, at least 150 people and possibly their family members are now safer at night. The foundation has surplus bulbs, and so it intends to repeat the operation. Thanks to the donations and volunteers, it was a very inexpensive operation and gave the foundation valuable experience in mobilizing and organizing parts of the community.

Example 4. Korat Community Foundation has been involved in community mobilization. They have run two fundraising days in conjunction with other local partners (foundations/media), where they have encouraged members of the community to contribute second hand goods, which were then sold and the profits used to support social causes. At the most recent event, a well-know monk was invited to speak about giving/philanthropy.

Current challenges and future developments

Major challenges facing community foundations

- The volunteer spirit in Thailand has improved since the tsunami hit the six provinces along the Andaman coast; although some of the actions of international donor organizations have called into question NGO management practices.
- Tax incentives need to be improved and the reporting system for community foundations to the government should be simplified.
- Financial regulations need to be revised so that foundations have more investment options to increase returns on their assets.
- Little understanding of the concept – and confusion with other community-based funds/village banks. Social mapping exercises in Songkhla and Satun have shown that once people understand the idea they tend to be supportive

Areas for future community foundations development

Currently there is no large, local organization to take a leadership role in promoting the community foundation concept.

International links

Some community foundations in Thailand, and some supporting units in Thailand, have collaborated with Synergos, Community Foundations of Canada and the Association of Foundations in the Philippines for peer knowledge exchanges.

Community foundations in Thailand are tapping international donor agencies, such as the World Bank, The Ford Foundation, Bernard Van Leer Foundation, and WINGS Global Fund for Community Foundations to support the development of community foundations in Thailand.

Support Organizations:

1. Bangkok Forum Organization: After working as a co-partner with FCF in 2006 on establishing a community foundation for the Bangkok people, the Bangkok Forum Organization was the only organization that got budget support from the Thai Health Promotion Foundation in 2007. This year (2008), no one gets funding support from the Thai Health Promotion Foundation for community foundation promotion project. Therefore, Bangkok Forum Organization is seeking budget support from other sources to continue their work to form the Bangkok Community Foundation.

Address: Ms. Anchan Kamcheoi
Bangkok Forum Organization
104-106 Prang Poo Thorn Road
San-Chaw Poe-Sue Sub District
Bangkok 10200
Thailand
Fax: (66)02 228-1362
E-mail: bangkokforum@yahoo.com
Website: www.bangkokforum.net

2. Center for Philanthropy and Civil Society: The Center and its partners have developed a project proposal to promote the community foundation concept with the support of the Ford Foundation. There are two provinces that propose to register community foundations formally in 2008: the Satun and Songkla Community Foundations.

Address: Dr. Juree Vichit-Vadakan
Executive Board Chair
Center for Philanthropy and Civil Society
NIDA, Seri Thai Road
Bangkapi, 10240
Thailand
Phone: 66(2) 377-7206
Fax: 66(2) 374-7399

3. Local Development Institute (LDI) was established in 1991, with funding support from the Canadian International Development Agency (CIDA) from 1991 through 1997. Now LDI gets funding support from international and national funders. Its vision is to encourage community sustainability and civil society strengthening, through strengthening the capacity for self-determination in poor communities and by enhancing the effectiveness of Thai NGOs and community development programs for the poor.

Address: Ms. Benjamas Siripatra
Deputy Secretary General
Local Development Institute/Foundation
693 Bamruang Muang Rd
Pomparb District
Bangkok
10100
Thailand
Phone: 66 (2) 621-6643

Fax: 66 (2) 621-5540
E-mail: ldi@loxinfo.co.th
Website: www.ldinet.org

4. World Bank (Bangkok branch): The World Bank has been working to promote community foundations in Thailand since 2005. They are Nakorn Ratchasima (Korat) province in the Northeast and Satun province in the South.

Address: The World Bank
30th Floor, Siam Tower
989 Rama 1 Road, Pathumwan
Bangkok 10330, Thailand
Phone: (66)-0 2686-8300
Fax: (66)-0 2286-8301

Address: Mr. Gawin Chutima
Associate Director
Thai Fund Foundation
2044/23 New Petchaburi Road,
Bangkapi, Huaykwang,
Bangkok, 10310, Thailand
Phone: (66)2 318-3959
Fax: (66)2 718-1850
E-mail: gawin@thaingo.org
Website: www.thaingo.org

THE PHILIPPINES

Community foundations

History

The first community foundation was started by a Catholic Archbishop. His name is Gaudencio Rosales, who is now the Cardinal of Manila. Because of his vision to improve the quality of life of the people living in the Archdiocese of Lipa, Batangas, he thought of initially setting up a cooperative. However, just before he formally registered his foundation, he said that it could not be a cooperative because the foundation will not only provide services to members, but to all those living in the province of Batangas. And that was when he coined the name Pongong Batangan Community Foundation. “Pondo” refers to funds and Batangan is Batangas province. This was in the year 2000, even before the Association of Foundations (AF) got wind of the global community foundation movement. It was only in 2002 at the WINGSForum meeting that AF first started to hear about community foundations. It was only in 2004 that AF produced a Community Foundations Primer to differentiate a community foundation from many other NGOs and foundations in the country.

Since then, AF has promoted or advocated for the setting up of community foundations. However, it has not been easy. Many NGOs and foundations have been used to implementing programs and projects which have been their expertise. There has been a general dependence on external donors regarding fund raising and local resource mobilization. In some instances, after hearing about community foundations and getting convinced that it is a good model for sustainability and development, an NGO then starts to re-structure itself to a community foundation. Although the NGO may not be able to be a full-blown community foundation immediately, there is recognition that it has made a decision to evolve itself into a community foundation and will aim for having all the community foundation features.

Current situation: Facts and figures

Number of community foundations formally established in total.	4
Number of community foundations established in 2007.	2
The number of community foundations at early stages of development.	1
Percentage of country's territory covered by community foundations.	5 %
Percentage of population that has access to a community foundation.	1.1 %
Total number of people with access to a community foundation.	1 million
Is the rate of community foundation formation steady/increasing/decreasing?	steady

Total sum of grants made by community foundations in 2007	PhP 2,347,168; approximately US \$56,280
Total number of grants made in 2007.	58
Total sum of the income/donations in 2007.	PhP 3,600,557; approximately US \$86,335
Single largest source of income for community foundations	Donations from corporations/companies and individuals
Total sum of endowments at the end of 2007.	Not known
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Pondong Batangan Community Foundation, Inc. – PhP 10 million; approximately US \$239,780.

Note: Philippine peso-US dollar conversion as of 4 April 2008.

Complete list of community foundations

COALITION OF SOCIAL DEVELOPMENT ORGANIZATIONS IN SOUTH COTABATO

* Established as an NGO in 1994, evolved into a Community Foundation in 2007

Office Address:

Door 4, 2/F NDMU Complex, Alunan Avenue

Koronadal City

Telefax: +63 83 2283123

Email: csdp_sc@yahoo.com

Contact Person: Mr. Dausay Daulog, Trustee

PONDONG BATANGAN COMMUNITY FOUNDATION, INC.

* Established in 1999

Office Address:

Archdiocesan Chancery, Archdiocese of Lipa

Cathedral Site, Lipa City, Batangas

Telefax: +63 43 7573714

Email: pbcfi99@hotmail.com, mguazon4819@yahoo.com

Contact Person: Fr. Manuel Guazon, Executive Director

SIMAG FOUNDATION, INC.

* Established as an NGO in 1989, evolved into a Community Foundation in 2007

Office Address:

AHSSI Building, Silay City
Negros Occidental

Telefax: +63 34 4951549

Email: simag@lycos.com

Contact Person: Ms. Gina Martin, President

SIMBAYANAN NI MARIA COMMUNITY FOUNDATION, INC.

* Established as an NGO in 1991, evolved into a Community Foundation in 2006

Office Address:

3 VP Cruz Street, Purok 5 Lower Bicutan
Taguig, Metro Manila

Telefax: +63 2 8386934

Email: simbayananfoundation@hotmail.com

Contact Person: Ms. Victoria Ungco, Executive Director

Community foundation staffing

All of the community foundations have paid staff, whether they began as new community foundations or evolved into community foundations. The paid staff include the executive directors, program/grant officers and finance officers, as well as administrative personnel.

Community foundation income

Income

For Pondong Batangan (PB), its income has been solely from individual donations through small giving. For the evolved community foundations, because some of them have been getting funding from external agencies, the mix would be around 50 percent from international funding agencies and 50 percent local contributions. The local contributions may further be divided as follows: organizations/companies - 40 percent, and individuals - 10 percent.

Purposes

The individual contributions to Pondong Batangan are for the general programs and services. Individuals do not indicate a specific purpose. As for the ones receiving grants from international organizations, then these are for specific programs. And because they are NGOs evolving into a community foundation, most of these grants are for implementing specific community-based programs or projects.

Permanent funds/Sustainability

Most of the community foundations have only started to think about the challenge of sustainability. Some have indicated setting up an endowment fund, but have yet actually to make it happen. The community foundations recognize that they need to address the issue of sustainability, but because they are too engrossed with their programs, or because they are still working on strategies for local resource

mobilization and funds are not enough to be set aside for an endowment fund, they have not really come up with specific plans.

Environment for philanthropy

Local attitudes

The major obstacle to giving is really the difficult situation that most Filipinos are experiencing in the country today. The priority for most Filipinos is to be able to survive.

The community foundation concept, however, is still new in the Philippines. As far as the Philippine scenario is concerned, making a community foundation work effectively means making stakeholders understand that when they give to a community foundation, they actually invest in development, the fruits of which they will likewise enjoy.

Legal and tax environment

A group called Philippine Council for NGO Certification (PCNC) certifies NGOs and foundations as tax donee institutions, which then enjoy the privilege of providing deed of donations to donors for them to enjoy tax exemption from donor's tax and tax deductibility. Any foundation may apply for certification and if they pass the eligibility requirements, then the Bureau of Internal Revenue gives them a Certificate of Registration. There are no special incentives for community foundations.

Changing attitudes and the national or local environment

One way is to curb corruption. If people and companies are forced to pay the correct taxes and officials could not be bribed or corrupted, then there will be more incentives for individuals and corporations to donate to non-profits, just as in the U.S.

At the community foundation level, one strategy that is being taken is getting the support and endorsement of a person who is highly respected within the community. They give the community foundation credibility and a perception of importance, especially at its start-up phase.

Community foundation activity and impact

Example. The Pondong Batangan Community Foundation, Inc. (PBCFI) Experience

Way before the concept of a "community foundation" became a by-word in the non-profit sector of the Philippines, PBCFI apparently had been at it already. Even the words "community foundation" in their organization name was not an intention for them to be classified as a community foundation, because at that time, a community foundation was not yet a classification by itself. They were simply focused on a specific community, raising funds from within the same community, and helping respond to the social development needs of the same community.

What was remarkable about PBCFI was its strategy in raising funds. With the support of the local archdiocese, PBCFI encouraged parishioners to donate their loose change of 25 centavo coins to their cause. They installed canisters in churches and local establishments where parishioners could drop their donations. It was the small but regular contributions of loose change that built the funds of PBCFI. This strategy became such a success that PBCFI was able to raise PhP 7.7 million (approximately US \$184,630) in just 3 years.

PBCFI uses its funds to help in uplifting the lives of the poor and the needy in the Province of Batangas. To access financial support, parishes prepare and submit project proposals to PBCFI. The PBCFI Board of Trustees screen and deliberate which projects may be supported. In order to support its operations and ensure sustainability, most of the approved projects are micro-loans with easy pay-back schemes. PBCFI also supports education (through scholarships) and health projects (through establishing community drugstores). It also actively engages in activities that strengthen the moral and Christian values of the community.

Current challenges and future developments

Major challenges facing community foundations

Local Resource Mobilization characterizes a community foundation. However, this, in itself, is a major challenge for local community foundations. With the current economic difficulties, Filipinos find it difficult to give from their earnings, prioritizing their families' needs first before thinking of giving. Community foundations must be able to strategize a plan that will encourage giving that stakeholders will not find cumbersome and promote partnerships that will strengthen, develop and uplift their communities.

Areas for future community foundations development

Through its Committee on Community Foundations, AF is continuously working on promoting and developing community foundations in different provinces, among these are: San Pablo, Laguna (Southern Luzon) and perhaps also Pampanga (Central Luzon). In San Pablo, some individuals have been following up on the progress of the discussions, while in Pampanga, we have yet to identify a core group.

International links

Fr. Manny Guazon, executive director of the Pondong Batangan Community Foundation, Inc. (PBCFI), attended the Community Foundations of Canada conference in Quebec City in 2004. This was recognized internationally as one of the most valuable learning opportunities available for community foundation professionals.

Support Organization: Association of Foundations

History and purpose

The Association of Foundations (AF) has been in existence since 1972. The AF vision is a vibrant community of respected foundations shaping progress in their areas and fields of work with their partner communities. In collaboration with local, national and international institutions, the network and its members pursue and promote programs that create a just and equitable future to improve the quality of life in the Philippines. Its mission is to improve the capacities of its members to deliver innovative, quality programs for Philippine development consistent with the highest professional and ethical standards. AF, along with other sectors and networks, promotes change by articulating its position and taking action on issues that lead to equity and social justice.

AF has been promoting community foundations for the past 5 years. It is the only network in the Philippines which has a Community Foundations Committee and a community foundations program. With its partnership with Synergos Institute and the WINGS network, it has developed a Community Foundation Primer which elaborates on the features and characteristics of a community foundation in the Philippine context. Furthermore, it has developed a Community Foundation Handbook after two AF representatives attended a peer exchange program with Philanthropy Australia.

Structure and organization

The Association of Foundations (AF) is a membership network of 140 NGOs and foundations. It has a 15-member Board of Trustees elected nationally and 4 full-time paid staff, which includes an Executive Director, Program Officer, Program Assistant and Administrative Assistant and one part-time bookkeeper. Its sources of income include: 60 percent grants, 30 percent consultancy/management fees, 10 percent membership dues.

AF has a Community Foundations Committee composed of representatives of community foundations. The representatives are mostly board members or senior officers of the community foundations. There are 3 members who do not come from a community foundation, but who have participated in various conferences or programs related to community foundations and who contribute their expertise and skills in the development of the community foundation program of AF. The AF Executive Director handles the community foundation program and gets its supervision and guidance from the Community Foundations Committee.

Recent accomplishments

AF forged a partnership with a local funding institution, the Peace and Equity Foundation, Inc. (PEF), to support its community foundation program. As a result, the project “Building and Strengthening Community Foundations” was launched with the over-all goal of promoting and operationalizing the concept of community foundations in 7 cities/provinces in the Philippines. Specifically, the project aims to nurture and support a group of local leaders who will catalyze the formation of community foundations in their localities; support at least 2 existing community foundations and establish at least 3 more community foundations; and produce new tools, methods and knowledge on building and sustaining community foundations in the Philippines.

The WINGS Global Fund for Community Foundations (GFCF) is undergoing a consultation process to explore a proposal to transform the GFCF from being a WINGS project to becoming an independent institution. AF has recently forged a partnership with GFCF, and is one of the organizations that is funded to implement this process by conducting local consultations with key constituencies on the future scope, strategy and structure of GFCF

Current challenges/future developments

AF is faced with the challenge of identifying prospective individuals or groups who would be willing to set up community foundations. The difficulty of raising resources locally remains a hindrance in setting up community foundations.

The other option has been evolution of some NGOs into community foundations. However, the challenge here is to influence the evolved community foundation into doing more grantmaking rather than implementing projects.

Additional resources

The Association of Foundations website is: www.afoonline.org

Correspondent: Norman Joseph Q. Jiao, Executive Director, Association of Foundations (Philippines), Inc.