

## **BELGIUM**

### **Community foundations**

#### **History**

The King Baudouin Foundation was founded in 1976, when Baudouin I (1930-1993) celebrated his 25th anniversary as King of Belgium. King Baudouin did not wish to receive a personal gift to mark his jubilee. So it was that the idea of a 'lasting memorial' was born. King Baudouin was moved by social affairs, had a strong sense of justice and was concerned that society should be harmonious. A Foundation was therefore established to mark his jubilee that would make efforts to ensure better living conditions for the population.

The mission of the King Baudouin Foundation is clear and at the same time wide-ranging: to help to improve living conditions for the population. In its 1976 Constitution the Foundation is described as "an independent structure that encourages original ideas and sets up new projects." The King Baudouin Foundation supports projects and citizens who are committed to create a better society. In this way we can make a lasting contribution towards greater justice, democracy and respect for diversity.

Two community foundations have been established in Belgium within the King Baudouin Foundation (KBF), as part of its Centre for Philanthropy.

**Community Foundation West-Flanders.** The first community foundation in Belgium was established in 2001. A gift of US \$700,000 from Levi Strauss created the endowment of the community foundation. Levi Strauss closed two factories in the region and left this money to the region in order to create a sustainable and long-term vehicle for the common good. Levi Strauss never became a member of the Board of the community foundation. Local leaders were invited by KBF to take up seats on the Board.

**Community Foundation Limburg.** The second community foundation was created in 2004. The initiative came from the local and leading media group in Limburg, Concentra Media. They provide two staff persons to fundraise for the community foundation. Local leaders were asked by KBF to take up seats on the Board.

These community foundations were created by one initiator, in both cases a company. Thus a local platform representing the region in the Board is something that has to be worked on. It takes time; it is hard work. Board members find it difficult to understand the concept of a community foundation, because they stepped into a story written by others. KBF's understanding is that new community foundations should therefore widen their base. Ideally, initiators should represent a small group of community leaders and philanthropists; this helps to establish ownership of the community foundation concept.

## Current situation: Facts and figures

Number of community foundations <b>formally established in total.</b>	2
Number of community foundations established <b>in 2007.</b>	0
The number of community foundations <b>at early stages of development.</b>	2
<b>Percentage</b> of country's <b>territory</b> covered by community foundations.	20 %
<b>Percentage of population</b> that has access to a community foundation.	20 %
<b>Total number of people</b> with access to a community foundation.	2,000,000
Is the <b>rate of community foundation formation</b> steady/increasing/decreasing? Explain why in the box below:	Increasing

Two new community initiatives are currently being formed. In each case a small group of local leaders is thinking about local philanthropy and how they can engage local philanthropists in a common story for the good of the local community. I believe this approach is more favorable than a top-down approach.

<b>Total sum of grants made</b> by community foundations in 2007	€ 300,000
<b>Total number of grants</b> made in 2007.	50
<b>Total sum of the income/donations</b> in 2007.	€ 560,000
<b>Single largest source of income</b> for community foundations	€ 65,000 One bequest from an individual
<b>Total sum of endowments</b> at the end of 2007.	€360,000
<b>Community foundation</b> with the <b>largest endowment</b> at the end of 2007 and <b>size of its endowment.</b>	Community Foundation West-Flanders € 260,000

## Complete list of community foundations

### Streekfonds West-Vlaanderen

Jan Despiegelaere - Coordinator  
 Stasegemsesteenweg 110 - 8500 Kortrijk  
 Tel: 0032 56 23 70 39 Fax: 0032 56 23 70 21  
 E-mail: [info@streekfonds.be](mailto:info@streekfonds.be)  
 Website: [www.streekfonds.be](http://www.streekfonds.be)

### CF Limburg: Een Hart voor Limburg

Viviane Michiels en Geert Kenis  
 Herkenrodesingel 10  
 3500 Hasselt  
 Tel.: 0032 11 878 599 Fax: 0032 11 878 557  
 E-mail: [info@eenhartvoorlimburg.be](mailto:info@eenhartvoorlimburg.be)  
 Website: [www.eenhartvoorlimburg.be](http://www.eenhartvoorlimburg.be)

## Community foundation staffing

**Community Foundation West-Flanders:** Hired one full-time paid staff member at the end 2005.

**Community Foundation Limburg:** Hired two full-time paid staff at the beginning of 2004. These staff members are paid by the initiator, Concentra Media.

## Community foundation income

### Income

#### **Community Foundation West-Flanders in 2007:**

- 70% corporations
- 20% individual contributions
- 10% KBF

#### **Community Foundation Limburg in 2007**

- 45% corporations
- 50% individual contributions
- 5% KBF

### Purposes

#### **Community Foundation West-Flanders in 2007:**

- Corporations and KBF support – operating costs,
- Individual contributions for specific grants

#### **Community Foundation Limburg in 2007:**

- Corporations and KBF support – endowment building,
- Individual contributions for specific grants.

### Permanent funds/Sustainability

#### **Community Foundation West-Flanders:**

There has been no endowment building since starting in 2001. The reverse is true. They are spending money from their endowment.

**Community Foundation Limburg:** First endowment building in 2007 of €100,000.

## Environment for philanthropy

### Local attitudes

More people give and they give in a diverse ways – both locally and internationally. The community foundations in our country position themselves as a professional vehicle for local donors who are engaged locally. It is hard work, but Boards who are actually raising the philanthropic question to wealthy individuals get results. This is the case in Community Foundation Limburg, but not in Community

Foundation West-Flanders. In Community Foundation West-Flanders Board members tend to evade the “ask” for philanthropic money.

#### Legal and tax environment

Gifts from €30 on up are tax deductible for individual and corporate giving. There is a maximum limit: for individuals 10 percent of their net income and a maximum of €325,000; for companies the limit is € 500,000.

#### Changing attitudes and the national or local environment

There is the need for more incentives on the tax level. For example, no maximum limits. KBF has recently provided our federal government with some ideas in order to promote philanthropic giving in Belgium.

### **Community foundation activity and impact**

**Example 1. Community Foundation West-Flanders:** De Grote Onderscheiding (The Great Order): The Community Foundation promoted Corporate Social Responsibility initiatives of local corporations by asking non-profit organisations to recommend a company that had or is helping them financially or in any other way. The company was not aware of its recommendation up to the moment the nominees were to be presented to a jury. As the initiative was taken by an independent organization and not by the corporate support organisations, the nominated companies gained a lot of credibility, as CSR-policies are often seen as an excuse to continue business as usual under a trendy flag. The nominated companies increased their support to the non-profits who recommended them, and both got to know and to appreciate the community foundation that was brand new and rather unknown at that time.

**Example 2. Community Foundation West-Flanders:** Een Hart voor West-Vlaanderen (A Heart for West-Flanders): The Great Order Initiative served to leverage the Community Foundation in expanding and strengthening our network. As we cooperated with local media to reinforce the nominations of the companies, we developed a good understanding with the media, which resulted in a strategic partnership, which was inspired by our colleagues from Limburg. This partnership resulted in “A Heart for West-Flanders”, originally a three-year, but now a continuing fundraising and grantmaking program to benefit disadvantaged children in our communities. This partnership has enabled the Community Foundation to gain a lot of visibility in the whole region. Apart from that, it has lifted the Community Foundation to a higher level as a regional organization, connecting donors with local media, community needs and a professional cost-efficient service.

**Example 3. Community Foundation Limburg:** The Community Foundation “A Heart for Limburg” was founded in 2004 at the initiative of the media group Concentra, a Flemish publishing and printing group. Thanks to extensive publicity and editorial support of the local media “A Heart for Limburg” became a strong brand in a very short time. Apart from making grants to improve the quality of life in the region, it is the fund’s goal to realize an everlasting awareness by the local population of the emerging and changing needs in our affluent society. Our regional fund wants to play a crucial role in promoting social solidarity and encouraging philanthropy.

For that purpose, our foundation organizes sensitization campaigns. We want to motivate people, and especially the young people, to help other people, to think positively and to react against social exclusion. Last year a campaign addressing primary school children was set up in cooperation with a local high

school and several sponsoring business partners. All 56,000 children in primary school in Limburg received a T-shirt. The campaign aimed to promote values such as tolerance, mutual respect and solidarity. The positive reactions of teachers, pupils, parents and all participating partners made us plan a new awareness campaign in 2009, targeting all primary and secondary school pupils in Limburg.

## **Current challenges and future developments**

### Major challenges facing community foundations

The main challenge will be to what extent the community foundations' Boards will be successful in approaching wealthy individuals to become an engaged partner with their community foundations. The struggle is not to identify wealthy individuals (this has been done), but to ask them to become a local donor.

### Areas for future community foundations development

The donor services area should definitely be improved. The two community foundations' Boards have taken up this engagement in a strategic development plan. Beginning in 2008, they submitted this plan to KBF for approval. The plans were approved by KBF.

## **International links**

At the end of 2007 Community Foundation West-Flanders organized a Transatlantic Community Foundation Network peer exchange on "donor services". The Board of the Community Foundation West-Flanders participated in this meeting. The Coordinator of the Community Foundation Limburg also participated.

## **Support Organization: King Baudouin Foundation**

### **History and purpose**

The King Baudouin Foundation (KBF) is a public benefit foundation with an endowment of €320,000,000. As a promoter of philanthropy and local philanthropy, KBF gives donors a wide choice on how they want to be involved in their philanthropic projects. The two community foundations should benefit from this experience and be proactive in addressing potential local philanthropists.

### **Structure and organization**

KBF has one staff member and one management member to overview the work of the community foundations. KBF gives support (administration on tax deductible gifts, financial management) and guides the community foundations' further development. These two persons attend all Board meetings of both community foundations.

### **Recent accomplishments**

KBF does not promote the community foundation concept or its development actively. KBF believes that, based on the experience of the two community foundations in their start-up phase, a community foundation can only start and develop when a solid base is in place. KBF believes that we should therefore invest strongly in small groups of dedicated citizens willing to invest locally, act, give grants, etc. As an example, a lesson learned has been that before creating a community foundation's structure it must have a representative Board.

### **Current challenges/future developments**

Today, in two new areas, there are a small number of citizens thinking of becoming locally engaged in philanthropy by starting community foundations. Those people are inspired by West-Flanders and Limburg, but also foreign successes in setting up community foundations. KBF supports them in their start-up phase. KBF advises them to start small, but dedicated. Board building, endowment building will follow once this group of people will have created some results, collected financial means and given away first grants.

### **Additional resources**

The KBF website is: [www.kbs-frb.be](http://www.kbs-frb.be)

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