

IRELAND

The Community Foundation for Ireland

History

The Community Foundation for Ireland (CFI) was established in 2001, the first community foundation in the Republic of Ireland. It came about when the government and other NGOs were looking for new mechanisms to raise independent funding for the community and voluntary sector. Ireland had gone through significant growth from 1994 onwards, and for the first time in its history had a considerable number of individuals with independent wealth. The government agency, Combat Poverty, commissioned a paper in 1998 on the issue of establishing a community foundation. The government subsequently issued a challenge grant of €1.3 million to the private sector to establish a community foundation.

The founders established two organizations: The Community Foundation for Ireland with a mission to promote civic philanthropy and civic leadership, and Business in the Community Ireland to support corporate social responsibility and corporate leadership (including corporate philanthropy). The founders were a mixture of businesses, NGOs, employer organizations and government. The community foundation was funded entirely by the business sector in its set up phase.

There is no other community foundation in the Irish Republic. The board travelled to the UK on two occasions to gain knowledge of the community foundation movement, and Community Foundation Network (UK) provided tremendous help. The most significant development for the CFI was the connection with a broad range of community foundations through its involvement with the Transatlantic Community Foundation Network. It exposed the community foundation to many different models and cutting edge thinking on philanthropy and foundations.

In 2003-04 the CFI received a challenge grant from The Atlantic Philanthropies to raise awareness of the Foundation and promote philanthropy throughout the Republic of Ireland. Support for core funding from the Charles Stewart Mott Foundation was also crucial in ensuring the development of CFI. Since then the endowed assets of CFI have grown from €4.1m in 2003 to €6.15m in 2004, €7.5m in 2005, €19.2m in 2006 and €20.2m at the end of 2007. Strong links to a number of corporates in particular led to substantial funding from that sector.

Philanthropy at a general level is relatively undeveloped, so The Community Foundation is as much selling the concept of philanthropy to many wealthy people, as well as to professional advisors. We hope to influence the landscape and to see the results of this 'hard graft' flow in the coming years.

Current situation: Facts and figures

Geographic area served:	84,412 km ² - Republic of Ireland, but can also fund overseas projects
Population size of service area:	4.32 million
Total sum of grants made in 2007:	€2,559,925.23
Total number of grants made in 2007:	593
Total sum of the income/ donations in 2007:	€3 million
Single largest source of income in 2007:	€2.2 million – an Irish business
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	€20.2 million

Activities and impact

Example 1: In 2007 the Community Foundation for Ireland received over €2 million in anonymous flow-through funding from a major Irish financial institution. This was a new departure – a once-off opportunity for the foundation to make grants hitherto unprecedented in both their size and in their nature. Many of the grants were outside the normal criteria of the Foundation. Dozens of community and voluntary organisations were invited to apply for grants that would ‘make a difference by their strategic nature’.

Applicants were also required to show that funding would be difficult to source elsewhere, and projects had to: be innovative, be challenging, add fresh insights, knowledge or experience, and of course, be sustainable. Two types of grants were made. General Grants ranging from €5,000 to €30,000 and Flagship Funding involving grants up to €150,000.

A total of 38 grants (12 Flagship and 26 General Grants) totalling €2,006,056 were made to a diverse spectrum of organisations and projects. The Foundation has received Interim reports from these organisations and Final reports are due in the coming months. Such reports represent an invaluable learning tool for us.

An example of one of the General Grants is a charity that works to promote horse welfare, which received €29,890. The aim of the project was to provide education and understanding for the care of equines, which will reduce animal cruelty, to make a difference to the lives of young people interested in horses and ponies in the urban areas of Ireland, and to work in problem areas with young people to educate about basic care and welfare of equines, whilst further developing the interests and skills of young people.

One of the projects supported by Flagship Funding was a Women’s Refuge, which received a grant of €150,000. This grant funded the construction of a self-contained unit that would accommodate women and children fleeing domestic abuse. The centre had previously accommodated families in a communal setting, which was problematic, especially for older children and teenagers.

The Community Foundation for Ireland received a fantastic range of applications and was delighted to be able to work with a wider range of groups and projects than usual. This flow-through funding has been proven to have made a dramatic difference to not only the Foundation, but to the community and voluntary sector in Ireland.

Example 2: In 2007 The Community Foundation for Ireland instigated its first series of Philanthropy Matters newsletters to both professional advisors and to a targeted list of over 2,000 individuals. As a follow-on from this, seminars in 2007 attracted over 100 people from both and has resulted in discussions with a number of individuals about possibly setting up significant funds with us.

Operations and staffing

The Community Foundation for Ireland (CFI) is run primarily by a staff comprising of a Chief Executive who devotes half of her working time to it, a full-time Head of Fund Development and a full-time Grants Officer. The first Head of Fund Development was appointed in 2004, the same year as the first full-time Grants Officer. These positions were in part made possible by a donation from the Charles Stewart Mott Foundation. As CFI shares office and staff with Business in the Community Ireland, we also share a full-time receptionist, full-time accountant, a part time human resources manager and a part time office manager. We have a part-time administrative volunteer and a very active board of volunteers (11).

Community foundation income

Income categories

In 2007 the bulk of income came from corporates, circa 90 percent, but this is expected to change in coming years.

Purposes

Examples:

- €500,000 Anonymous donation - unrestricted
- €100,000 Family fund – donor advised
- €2.2 million We were to determine the chosen projects from a list of applicants provided by the corporate donor.

Permanent funds/Sustainability

Endowment fund building is a central part of ensuring sustainability. Over 20 percent of income was for endowment fund purposes. The 2008 target is to reach €27 million. As a result of reaching the €20.2 million figure on endowment, the Community Foundation for Ireland is essentially self-financing at current activity levels.

Environment for philanthropy

Local attitudes

There is no history of planned giving in Ireland. This is changing a little, and it is hoped that attitudes will change significantly over the next ten years. The Community Foundation has initiated a newsletter targeted at 2,200 high net worth families and a second newsletter targeted at 800 of the key professional advisors in Ireland. A series of 5 seminars has also taken place since November 2006, and we are confident that the concept of philanthropy is becoming better understood. Most people have yet, however, to put a structure around their giving and are primarily giving from income. Little transfer of assets has taken place as yet.

Legal and tax environment

In 2005 tax relief, or capital gains tax relief, was introduced on donations of shares – but the government has given this zero publicity and it has had little impact. There is no tax relief on donations of other assets such as a building or land.

Up to 2006 a donor could get tax relief at the highest rate of tax (then 42 percent, now 41 percent) on donations made from income. This was changed in 2006 so that tax relief caps are now in place. The level of relief available depends on income level and whether you are availing of other reliefs (e.g. property). CFI believes this to be a serious impediment to the creation of a culture of planned giving, and this is backed up by comments from many of Ireland's leading professional advisors.

Changing attitudes and the national or regional environment

Every year the Irish government receives pre-budget submissions from various lobbying groups and organizations in relation to its fiscal plans for the following year, and in relation to possible changes that may be made to the Irish tax system, which may be announced on budget day. In an attempt to improve the Irish tax system around philanthropy, which is poor, The Community Foundation for Ireland made pre-budget submissions to Ireland's Minister of Finance in 2006 and 2007. In 2007 it also organised a number of individuals and advisors to put forward submissions.

CFI is also a member of a government led initiative called 'The Philanthropy Forum' which is addressing the philanthropy issue in Ireland. We have engaged with the Irish Taxation Institute and others who could help shape government opinion.

Current challenges and future developments

There are relatively few funds for the elderly, and The Community Foundation for Ireland is currently significantly oversubscribed. There are no independent environmental funds or foundations to support environmental projects, and this needs to be addressed also.

Meeting organizational support needs

Local support organisations include Philanthropy Ireland of which we are a member and in which we play an active part. Other support networks emerging in Ireland include Fundraising Ireland and the Irish Charities Tax Reform Group with whom we have jointly lobbied on key taxation issues.

International links

We have continued our involvement with the Community Foundation Network (CFN) in the UK. The Transatlantic Community Foundation Network (TCFN), which has members in Europe and North America, provides great networking opportunities.

The Mott Foundation and the Atlantic Philanthropies played a key role as catalysts in helping the launch and growth of the Foundation, in for example, providing a capacity programme (the former) and matching fund challenges (the latter).

We are a member of the European Association of Planned Giving, which is useful, if not currently hugely significant in Ireland, but has potential to do more.

Additional resources

The Philanthropy Matters newsletters are available at:

www.communityfoundation.ie/advisors/resources.htm

and at: www.communityfoundation.ie/news/index.htm

See also the Annual Report at: www.communityfoundation.ie/news/index.htm

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