

SOUTH AFRICA

Community foundations

History

Community foundations in South Africa were established partly to promote and develop democracy and address years of racial segregation, resolve political conflict, and above all, to improve the quality of life in local communities. Local communities also realized that securing funds in perpetuity would allow communities to determine and take charge of their own local needs and in so doing determining and plotting their own social destiny in future (breaking the dependency syndrome). Civil society organizations were also weak and had almost collapsed post 1994 – civil society needed strong and vibrant organizations which could provide leadership and financial security in order to address emerging community and social development needs.

The first community foundation in South Africa was established in Richards Bay, the Uthungulu Community Foundation, in October 1999. Founder members: Mr. John Mabuyakhulu and Louis van Zyl. Original funding: Charles Stewart Mott Foundation and Ford Foundation.

The second community foundation in South Africa was the Greater Rustenburg Community Foundation formed in January 2000. Founder member: Christine Delpont. Original funding: Impala Platinum Mine, Charles Stewart Mott Foundation (for operational funding) and Ford Foundation (seed funding for endowed fund – grantmaking).

Today there are 5 more community foundations in South Africa for a total of 7. The Greater Durban Community Foundation (GDCF) was established to facilitate partnerships between business, local government, civil society and communities. Established 2001, initial funding was obtained from local government and 1 big business. Founder members: Durban Mayor, Mondi, Member of Parliament and the Chamber of Business. The West Coast Community Foundation (WCCF) was established through a mandate of 54 local community organizations to mobilise resources for community development. Founding members: the late John Fortuin and others. Original funders: Goedgedacht Trust, Good Hope Development Fund, Cordaid and Irish Aid.

Little is known about the Community Development Foundation, Western Cape (CDF,WC), Greater Entambini /Ladysmith Community Foundation (GELCF) and Atok Community Foundation.

Current situation: Facts and figures

Number of community foundations formally established in total.	7
Number of community foundations established in 2007.	2
The number of community foundations at early stages of development.	3
Percentage of country's territory covered by community foundations.	5 out 9 provinces
Percentage of population that has access to a community foundation.	Approximately 5 percent of population nationally
Total number of people with access to a community foundation.	Approximately 5 million people
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Steady

Unlike other community-based organizations (CBOs), community foundations are unique in terms of having sustainability, in perpetuity, inclusive, transparent and accountability elements. Community foundations work with and through non-governmental and community-based organizations, serving as agents of change, are best positioned to build linkages between potential funders and community needs, provide a vehicle to ensure the capturing of small pockets of wealth and setting up endowed funds which will serve its communities in perpetuity, are well positioned to respond to local community needs and thus supporting and amplifying already existing initiatives in their geographic areas of operation.

Total sum of grants made by community foundations in 2007.	A total sum of R3,683,354.00. (Approximately US \$458,000)
Total number of grants made.	317 grants made between 2001 and 2007. GRCF also made 31 indirect (in kind) grants to community-based organizations through facilitating mentorship programs – 200 community based organizations benefited from this.
Total sum of the income/donations in 2007.	R13,934,005.00. (Approximately US \$1,733,000)
Single largest source of income for community foundations	GRCF – National corporation UCF – National corporation GDCF – Local corporation WCCF – International

	funders
Total sum of endowments at the end of 2007.	R20,339,516.25 (Approximately US \$2,530,000)
Community foundation with the largest endowment at the end of 2007 and size of its endowment .	Uthungulu Community Foundation – R14,195,863.16. (Approximately US \$1,766,000)

Note: The data above are for 3 of the 7 community foundations in South Africa: Uthungulu Community Foundation, Greater Rustenburg Community Foundation, West Coast Community Foundation. US dollar exchange as of 27 March 2008.

Complete list of community foundations

1. UTHUNGULU COMMUNITY FOUNDATION (UCF)

P.O.BOX 1748, Richards Bay, 3900, South Africa.

Contact: Chris Mkhize, CEO

Tel: +27 35 7971882 Fax: +27 14 35 7973134

Website: www.ucf.org

E-mail: chris.mkhize@ucf.org.za

2. GREATER RUSTENBURG COMMUNITY FOUNDATION (GRCF)

P.O.BOX 21553, Protea Park, 0305, South Africa.

Contact: CEO, George Mathuse and COO, Christine Delport.

Tel: +27 15 5921525 Fax: +27 14 5921506

Website: www.grcf.co.za (under construction)

E-mail: george@grcf.co.za and christine@grcf.co.za

3. GREATER DURBAN COMMUNITY FOUNDATION (GD CF)

Location: 5th Floor Art Centre, 44 Albany Grove, Durban, 4001, South Africa

Mailing address: P. O. Box 4855, Durban, 4000, South Africa

Contact: Mrs. Margaret Winter, Executive Director

Tel: +27 31 304 6031 Fax: +27 31 304 6037

E-mail: info@gdcf.org.za

4. WEST COAST COMMUNITY FOUNDATION (WCCF)

Location: Geard Pharmacy Building

69 Voortrekker Road

Malmesbury 7300 South Africa

Mailing address: P.O.Box 924

Malmesbury, 7299, South Africa

Contact: Mrs. Johanna Hendricks, Executive Director

Tel: +27 22 482 1993 Fax: +27 22 482 1994

Cell No: +27 76 411 1283

Email: info@wccf.org.za

5. COMMUNITY DEVELOPMENT FOUNDATION, WESTERN CAPE (CDF, WC)

Address: The Learning Centre

Dreyersdal Farm Road, Bergvliet, 7945.

Contact: Mrs. Beulah Fredericks, Executive Director
Tel: 27 21 715 0525 Fax: 27 21 715 0325
E-mail: info@cdfwcape.org.za; E-mail: beulah@cdfwcape.org.za

6. GREATER EMNAMBITHI/LADYSMITH COMMUNITY FOUNDATION (GELCF)

Contact person: Mr. S D Sibande
E-mail: sdsibande@ladysmith.co.za

7. ATOK COMMUNITY FOUNDATION (ATF)

Contact person: Mr. Lazarus Masete
E-mail: lazman_masete@yahoo.com

Community foundation staffing

Community foundations in South Africa normally start off by a governing body consisting of only volunteers. Once the community foundation establishes an office with paid staff members the governing bodies then remain volunteers, and they appoint a CEO/Executive Director and one or two other paid staff members.

In the case of the GRCF the founding governing body took charge of the community foundation process for a period of 18 months before the first professional paid staff were appointed. GRCF's current paid staff members include: CEO, COO, Program Manager, Financial Administrator, Office Administration Officer, Receptionist/Community Liaison officer and NPO Support Manager.

UCF currently also has professional paid staff with a voluntary governing body. UCF paid staff include: CEO, Project Officer, Financial Officer, Administrative Officer.

WCCF has professional paid staff with a voluntary governing body. However, the Executive Director also serves as a voting board member. WCCF paid staff include: Executive Director, Administration Officer, Part-time Fundraising Officer.

GDCF has professional paid staff and a voluntary governing body.

No confirmed information is available about ATOK CF, GELCF or the CDF,WC.

Community foundation income

1. GRCF – New sources of income: Individuals in our own community, medium-sized local businesses, new corporate trusts, interest from investments
2. UCF – Sources of income: Interest from investments, donations from corporations, government agencies, individuals
3. WCCF – Sources of income: Individual giving, Give As You Earn (Staff), Friends of the Foundation, services rendered on behalf of Social Development Department (Government).
4. GDCF – Sources of income: Unrestricted grants from local government, business grants for specific projects.
5. No information available from ATOK CF, GELCF, CDF,WC

Income

1. GRCF – 65 percent of total Income generated from all donors were utilised for operations and 15 percent of that income was utilised for re-granting. The remainder of 35 percent of total income generated was for building both the endowed fund for grantmaking, as well as the endowed fund for the GRCF's operational cost. Every year 25 percent of interest yielded from the GRCF's endowed fund is re-invested in the endowed fund for grantmaking.
2. WCCF – 100 percent of total income went into the endowed fund.
3. UCF – Total income is divided into operational cost and the other is invested in the endowed fund for grantmaking.
4. GDCF – Total income is utilised for operations and projects – they are only now starting to set up an endowed fund for grantmaking.
5. No information from the ATOK CF, GELCF, CDT,WC

Purposes

1. UCF – Income was received for operations and grantmaking
2. GRCF – Income was received for unrestricted endowed fund (grantmaking), designated funds, donor advised funds, Field of Interest funds (all endowed funds), as well as operational cost.
3. WCCF – Endowed funds
4. No information on GDCF, ATOK CF, GELCF, CDF,WC

Permanent funds/Sustainability

1. GRCF – 20 percent of recent income was invested in endowed funds.
2. UCF also invested annual income in endowed fund – percentage not available.
3. WCCF – 100 percent of recent income was invested in endowed fund.
4. GDCF – has not yet established an endowed fund.
5. No information available from ATOK CF, GELCF and CDF,WC

Environment for philanthropy

Local attitudes

It's all about lingo – often the word “philanthropy” is misunderstood to be that of only making contributions towards “charitable” institutions or “charitable causes” (the more “softer” social development issues). In a developing country such as South Africa the word/term/concept community philanthropy is often replaced by community giving and community “help” – community foundations are also represented in general marketing material as community grantmaking organizations – although this

might also imply a certain level of community development; it seems as if this term is far more accepted and understood, especially in the rural areas of our geographic boundaries. However, more recently with the establishment of more community foundations in South Africa there is a general acceptance that philanthropy is becoming synonymous with “giving” and “helping” – communities are starting to perceive community foundations as philanthropic institutions who are responding to critical needs of local communities on a social level. The transformation of the GDCF, which towards the end of 2007 refocused their core business of becoming a truly fledged community foundation, proves the point. The UCF and GRCF especially have worked hard to make community philanthropy commonly used in communities. This is slowly but surely reaping fruit.

Legal and tax environment

Three community foundations in South Africa (UCF, GRCF and WCCF) have received tax exempt status, and the GRCF has also been registered as a Public Benefit Organization (PBO). This means that the GRCF is eligible to issue a TAX certificate to any of its donors, which affords to a donor/funder a 10 percent tax rebate on personal tax. All community foundations that have received PBO status can offer this rebate to their donors. These tax incentives are still very limited, and it is believed that if tax incentives are expanded it will benefit the growth of community foundations in South Africa.

Another government incentive that has just been introduced is the fact that community foundations and other charitable institutions may also now embark on income generating initiatives to make these organizations more sustainable. Community foundations were restricted in the past and could have lost their tax exempt status if they did embark on income generating initiatives. Now community foundations could consider investing some of their endowed funds in property, which could yield favourable income over a medium and long term.

Changing attitudes and the national or local environment

1. The current community foundations in South Africa could develop a collective initiative to raise the general public’s awareness of the work and impact of community foundations in their geographic areas of operation.
2. Technology could be utilized more effectively to also raise the awareness of the work that community foundations do – e-news letters to Government and potential donors.
3. More finance to invest in the publications telling the stories of community foundations, informing the public of the benefits of investing in community foundations.
4. Measuring the impact of the current community foundations and publishing the outcomes.
5. Getting stronger support from Government in recognizing the benefit of community foundations even in supporting Government on how community foundations can help ensure a more effective implementation of local integrated development plans.
6. Better and more viable tax incentives.

Community foundation activity and impact

Example 1. Brief Case History – West Coast Community Foundation (WCCF)

The WCCF is community foundation that started organically. Through research done by the Goedgedacht Trust in 1990 some 54 small grassroots initiatives were identified. They all provided critical services to their communities, but would never become sustainable due a lack of funds. The model of a community foundation was introduced to them by the late founder member, John Fortuin. A mandate was given to establish a community foundation and to seek resources that would support these grassroots organizations

in the West Coast of the Western Cape region. Today the WCCF serves a population of 300,000 people and covers a geographic area of 31,000 sq km. This community consists primarily of farm workers and fishermen who mainly live on social grants and only have seasonal work. Challenges of the area are continuing desertification, lack of skilled labor, lack of full-time employment, substance abuse, abuse of women and children and fetal alcohol syndrome. In 2001 the WCCF was registered, funding was obtained from Cordaid, Irish Aid, Goedgedacht Trust and the South Africa Bishop's Conference. The office of the WCCF is situated in Malmesbury, West Coast, known also as the bread basket of South Africa. The WCCF started their grantmaking in 2005 by awarding 16 small grants of R5,000.00 (approximately US \$620) each and again in 2007 they awarded 20 small grants of R5000.00 each. The WCCF has also introduced an incentive program whereby they give R1000.00 (approximately US \$125) to every small grassroots organization which can raise their own R1000.00. This proves to be very successful and 6 organizations have already qualified. This also raises the awareness of local giving and support amongst communities themselves. The WCCF has also developed a Resources Mobilising and Marketing Strategy to target local business and corporates. The WCCF has also successfully forged partnerships with different government departments and are currently also involved in collaborating in presenting capacitating workshop with the departments of Agriculture and Cape Metropole Municipality. The WCCF is also a member of the South Africa Community Foundation Association (SACOFA).

Example 2. Agent of Change – Uthungulu Community Foundation (UCF)

South Africa continues to struggle with racial integration processes – especially in certain parts of the country such as Kwa Zulu Natal. UCF continues to bring together the different races and individuals with conflicting interests to focus more on matters of conflict, peace and justice. In the local communities UCF continues to lead in terms of providing capacity building training, working hand-in-hand with non-governmental and community-based organizations. On 20 February 2008 for example, UCF organized and facilitated workshop training on preparing a business plan and writing a fund-raising proposal document.

Example 3. Impacting on vibrant and sustainable community-based organizations – Greater Rustenburg Community Foundation (GRCF)

1. Through the grantmaking program of the GRCF over a number of years, the GRCF now sees a significant change in organizations that have received grants and technical support from the GRCF. One such an example is a Women's Empowerment organization in one of the informal squatter communities on the outskirts of Rustenburg. The GRCF invested an amount of R27,000.00 (approximately US \$3,360) in this organization 3 years ago, and then continued to render technical support to this organization through their mentorship program. This organization started rendering Home Based Care (HBC) services in the Boitekong community after identifying numerous terminally ill people in the community, as well as orphans and vulnerable children. Soon they realized that the HBC would not be able to continue unless they added an income generating project to the HBC. This women's group skilled themselves in beading, sewing and other forms of art work. Finally they received SETA accreditation and through the income they generated they could subsidise the HBC. The GRCF added capacity through various training programs, as well as making a grant to expand their income-based project and also equipping the HBC program. Through donor relations of the GRCF with a local leading financial institution, an opportunity was created whereby the women's group received recognition by the financial institution and in so doing the financial institution has now created a market where this group can sell their products at main tourist destinations in our community. The project is also supported in terms of financial and administration support by the financial institution. This affords the women's group the opportunity to continue a desperately needed HBC service in the community. Recently this group received a multiple year grant from the local department of social development to the value of R600,000.00 (approximately US \$75,000) per year for a three-year grant.

2. Another community-based organization, Robin Good, which distributes food to organizations who deal with homeless people and orphans and vulnerable children, received grants from the GRCF and someone who has a donor advised fund with the GRCF. They are now able to distribute 28,000 plates of food per month through rural and remote rural community-based organizations to the homeless, orphans and vulnerable children. They also provide support to various Home Based Care and Early Learning Centers to establish food gardens in rural communities.

Current challenges and future developments

Major challenges facing community foundations

1. Community foundations are still not very familiar concepts/models in South Africa and are currently not being recognized by Government as possible effective vehicles that could support Government in the execution and delivery of social development.
2. Tax incentives are not by far favorable for community foundations in South Africa – improvement is needed.
3. We need to see the emergence of more community foundations in South Africa.
4. Corporates still find it difficult to invest in endowments of community foundations and mostly want to provide conduit funding.
5. Individual giving needs to be promoted more strongly in South Africa.
6. The collective voice of community foundations in South Africa need to be more strongly developed – the GRCF alone carries a mandate of more than 300 community-based organizations. Collectively, we act on a very large CBO sector in South Africa.

Areas for future community foundations development

Indeed, there are a few other areas in the country where we see the contemplation of community foundations emerging. The South Africa Community Foundation Association (SACOFA) need to become more actively involved in the promoting of community foundations, a strategy they have embarked on since the beginning of 2008. Ideally every province in South Africa should have more than one community foundation.

International links

UCF, GRCF, WCCF and CDF,WC have all been involved in international networks and peer learning such as the Council on Foundations conferences, EFC conferences, African Grantmakers Affinity Group Conferences, WINGS peer learning workshops, Community Foundation Network (UK) Conference, as well as one-to-one peer exchange opportunities. We also have received various international guests on various occasions.

We all agree that these networking opportunities have guided the development of community foundations in South Africa. It continues to provide a platform for us as South African community foundations to learn and share with our peers and colleagues, and it provides an opportunity for us here in South Africa to stay abreast with developments in the community foundation movement, as well as providing a platform for us to seek advice and guidance from our more experienced colleagues. We also believe that South Africa, as a developing country, has many lessons which others can learn from us.

Support Organization: South Africa Community Foundation Association (SACOFA)

History and purpose

Brief History

Over the past five years, a number of community foundations have been established in South Africa. The concept is, however, a relatively new one and hence emerging local community foundations have jointly identified a shared need to support one another, as well as to develop the capacity of their operations. In addition, local community foundations need to create awareness of the movement locally and also require to link with the community foundation network globally.

In order to address these needs, the South Africa Community Foundation Association (SACOFA) was established during 2005, and the Association has been formally registered as a non-profit organization (046-762-NPO) in South Africa.

The SACOFA Vision

The long-term vision of SACOFA is to make a meaningful contribution to establishing and maintaining vibrant, well-resourced and fully empowered communities that operate independently in South Africa through supporting, promoting and advancing the philanthropic mechanism of community foundations.

Organizational Mission and Objectives of the Association

The mission of SACOFA is to be a highly effective and interactive support network, established for the benefit of sustaining community foundations by rendering services to its membership base in line with their specific needs.

The Association's objectives are to:

- share experiences, develop expertise and gain knowledge amongst community foundations;
- develop a set of governance guidelines for local community foundations and encourage mutual support;
- build and support an indigenous South African community foundation movement;
- conduct relevant research and disseminate information;
- identify best practices and participate in peer review sessions;
- share tools, policies and resources;
- strengthen organizational and governing structures;
- provide assistance, advice, guidance, capacity building services and technical support;
- promote a culture of local giving;
- formally link with role-players on the African continent and the global community foundation movement;
- increase an awareness of the community foundation network;
- promote and support emerging community foundation initiatives;
- mobilize resources for the Association and create links for its members.

Other organizations that support and promote the development of community foundations

There are none.

Structure and organization

SACOFA is a membership organization, and it makes provision for other community grantmaking organization to affiliate as well. It has no full-time paid staff yet. The Greater Rustenburg Community Foundation has been elected to serve as the Secretariat of SACOFA

Beginning in 2008 other community grantmaking organizations will also be invited to attend the SACOFA network meetings and training workshops. SACOFA has received funding from the Carl & Emily Fuchs Foundation in order to fund our quarterly meetings. SACOFA members also make contributions towards their travel and accommodations. In 2008 SACOFA members will start paying membership fees of R5,000.00 (approximately US \$620) per year for each foundation.

All the SACOFA members currently form the governing body.

Recent accomplishments

- All the SACOFA members are also members of the Synergos Community Grantmaking leadership cooperative.
- During 2007 SACOFA supported the Greater Durban Community Foundation (GDCF), and this resulted in GDCF's Board of Trustees deciding that GDCF should re-focus, start building an endowed fund and engage in grantmaking. This was probably one of SACOFA'S biggest achievements
- SACOFA has conducted 11 training workshops since 2005.
- Various SACOFA members were also involved in rendering technical support towards the emerging community foundations elsewhere in Africa, such as the Tanzania community foundations. The GRFCF and UCF have also supported the Tanzania community foundations with examples of supporting documents, such as founding documents, policies and strategies.
- SACOFA, through one of its members, will also chair a session during a consultative conference in South Africa, facilitated by IDHASA on "Effective AIDS Distribution for Civil Society Organizations".

Current challenges/future developments

The biggest challenge for SACOFA will be to raise sufficient funds in order to:

- a) expand the learning and sharing initiatives;
- b) raise local awareness for both SACOFA and its members;
- c) create marketing materials;
- d) attend international conferences.

Additional resources

SACOFA are now in its first process of producing financial statements – no funds during the previous financial year – the financial statement should be available by June 2008. The first promotional document is attached to this report (please see Annex 9 for the SACOFA Information Brochure 2006).

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