

## STANDARDS FOR COMMUNITY FOUNDATIONS IN SLOVAKIA

### **Definition of a Slovak Community Foundation**

A community foundation is an autonomous, non-governmental, non-profit, publicly supported, non-sectarian philanthropic institution. The long-term goal of a community foundation is to build permanent endowment and to manage sources donated by many separate donors for the broad-based charitable benefit of residents of a defined geographic area.



Community foundations are further defined by the following characteristics:

### **Mission, Structure and Governance**

- \* *A community foundation is founded and operated for public benefit and has a well-defined and well-articulated mission.*
- \* *According to the law No. 34/2002, a community foundation is registered as a foundation.*
- \* *A community foundation has an independent governing body- Board of Directors- broadly representative of the community it serves.*
- \* *A community foundation serves a particular geographic area such as a municipality, county, region, metropolitan area or closely related aggregation of such areas that are considered a community. This criterion excludes national and multi-national organizations.*

### **Governing body- Board of Directors:**

- \* *Is responsible for the mission, direction and activities of the organization.*
- \* *Mobilizes adequate human and financial resources and actively monitors and evaluates outcomes of the foundation's chief executive officer's work.*
- \* *Is an all-volunteer body- the members serve without financial compensation.*
- \* *Is not controlled by any other non-profit organization, by a single family, business or governmental entity or any group within the community.*
- \* *Retains the right to modify condition or define limitations on distribution and investments of assets, if needed.*
- \* *Reviews and approves of an annual operating budget.*

- \* *Ensures that the community foundation grant-making reflects the diversity of the community it serves.*
- \* *Ensures that the community foundation functions in concord with the law and meets all legal requirements.*
- \* *Approves of all grants to the community and makes sure that these funds will be used for charitable purposes.*

### **Asset Development**

- \* *A community foundation works to develop a broad donor base and receives donations from a number of donors.*
- \* *A community foundation develops and manages the endowment. Income on the endowment serves to address and meet various community needs.*
- \* *A community foundation's long-term goal is to build resources to address changing needs of the community it serves.*
- \* *A community foundation receives and administers a diversity of gifts and funds to meet donors' various philanthropic objectives.*
- \* *A community foundation has gift and fund acceptance policies which are available to the public upon request.*
- \* *During the gift planning process, the prospective donor is fully informed about roles and relationships of all involved parties.*

### **Property Stewardship and Accountability**

- \* *A community foundation is a steward of the endowment, charitable funds, and other property and maintains accurate financial records.*
- \* *A community foundation is accountable to the community it serves and regularly disseminates information on its programs and finances.*
- \* *A community foundation maintains the balance between donor involvement and the decision-making role of the Board of Directors.*
- \* *An annual audit is performed by an independent public auditor. The audit's outcomes are available to the public upon request.*
- \* *A community foundation follows its investment policies and strategy.*

### **Grantmaking and Community Development**

- \* *A community foundation operates a broad grants program to multiple grantees.*
- \* *A community foundation awards grants through open, competitive processes that address the changing needs of the community.*
- \* *A community foundation widely disseminates grant guidelines to ensure the fullest possible participation from the community it serves.*
- \* *A community foundation performs due diligence to ensure that grants will be used for charitable purposes.*
- \* *A community foundation works to identify community issues and opportunities and acts as a leader and convenor, using its human and/or financial resources to address most pressing and long term community issues.*

#### **Donor Relations**

- \* *A community foundation informs and educates donors about community issues and grant-making opportunities.*
- \* *A community foundation actively involves donors in identifying and responding to community issues and opportunities.*
- \* *A community foundation systematically develops donor relations.*
- \* *A community foundation provides, at least once a year, fund statements to fund holders.*
- \* *All private information on donors and prospects is kept confidential, if desired, to the fullest extent possible.*

#### **Communications**

- \* *A community foundation communicates openly with the public.*
- \* *Every year, a community foundation publishes its annual report and makes it available to the public. The annual report contains, among other information, Board of Directors members' names, advisory boards' members' names, and information on the financials.*