

# A Small Non-Profit's Best Friend

by Valerie Ingram

**What?** You run a small nonprofit and you don't have a planned giving program? Yes, yes, I know you have to draft the board meeting agenda, ask the bank president for a meeting, sign the thank-you letters and meet with the finance committee. *Surely you can start to think about planned giving, tomorrow.*

Yes, I know you have to write, edit and proofread the newsletter. Yes, I understand your assistant called in sick and you have to take the newsletter to the post office. Oh, yes, I empathize that you have to return a call from a donor who's upset that her name was misspelled on her thank-you letter. Then you can return the phone call from the board member who wants you to put your agency on Twitter. You can write your planned giving program next week.

✓ *Or, you could just call your community foundation.*

Community foundations seek to strengthen philanthropy in their geographic areas. They provide a range of valuable services to partner nonprofits including grants, technical assistance, endowment management and consultation on planned giving. When you work with your community foundation, *you don't need to become an expert in planned giving* — that's what the community foundation already does.

Most often, the relationship begins when a nonprofit places an endowment at the community foundation. Community foundations pool the funds both individuals and nonprofits place with them, allowing them access to different kinds of investments than small nonprofits could have on their own.

Minimums to start a nonprofit endowment range from \$5,000 to \$25,000. Sometimes foundations that require



\$25,000 to start allow a nonprofit to build up to that amount over five years.

A small management fee is assessed quarterly on the endowment. In return the nonprofit gets a quarterly financial statement and access to advice and support from the community foundation's development office.

There are so many possibilities and variables with planned giving, it can be overwhelming for a small nonprofit to know where to begin to talk to donors about the issue. Community foundations *have staff with planned giving expertise and legal committees* to advise them. When you identify a donor interested in supporting your endowment, your community foundation will work with you to find the best giving vehicle for the donor's situation.

*Because community foundations are endowment based, they will continue to exist long after we're all gone.* The fortunes of small nonprofits rise and fall given the times and the expertise available on their boards. There are periods of time when small nonprofits are well managed and there may be times when they aren't. Donors are attracted to supporting a nonprofit's endowment housed at a community foundation because they know it's a true endowment, *not subject to the whims of a future, perhaps inexperienced board.*

Community foundations also provide low-cost trainings for nonprofit staff and board members. When your budget doesn't allow you to travel to professional development opportunities, find out what your community foundation is offering.

*Find a volunteer to work on that Twitter issue, and call your community foundation today.*

*Continued...*

## What are community foundations?

- Community foundations are public charities that share a common goal: improving the quality of life in their geographic areas.
- Community foundations are repositories for permanent endowments. Income earned on the endowments is granted to nonprofits. The principal of the endowments is never spent – only the income earned on the investment of the principal.
- Individuals, families, businesses and organizations create permanent charitable funds to help their region meet its needs. The foundation invests and administers these funds.
- Community foundations are overseen by a volunteer board of leading citizens and run by professionals with expertise in identifying their community's needs.
- Community foundations often facilitate community-wide conversations about important community topics such as affordable housing, education or health care.
- Community foundations are a resource for nonprofit organizations, providing grants and technical assistance training in a wide variety of areas.
- The first community foundation was founded in Cleveland in 1914. Today, there are community foundations in nearly 50 countries, with more than 700 in the U.S.



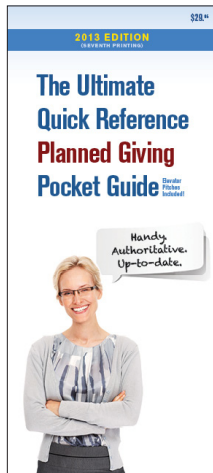
I hope you found this white paper stimulating and useful.

My mission is to make available to you the best know-how, insight, and tools so you can keep yourself, your career, and your organization *permanently* ahead of the curve.

Contact me. Let me know how you're doing. And let me know how I'm doing.

Let's improve and succeed *together*.

Viken Mikaelian  
Founder, PlannedGiving.Com  
Success@PlannedGiving.Com



*Every fundraiser needs this book.*

*Visit [PlannedGiving.Com](http://PlannedGiving.Com) for more information.*



Valley Forge, Pennsylvania

(800) 873-9203

Copyright © 2013, by PlannedGiving.Com, LLC. We have produced this article for the benefit of the planned giving community. Readers are invited to distribute the contents of this article in hard copy or in electronic form, with permission, on the conditions that its contents remain unchanged, and that PlannedGiving.Com be credited as its source.