



Community Foundation  
Research and Training Institute

Knowledge  
Nugget #1:  
Community  
Foundation  
Structure and  
History

---

Community  
Foundation  
Structure and  
History -  
Contents

History And Community Foundation  
Models

National Standards

National And State Organizations

Affinity Groups



Community Foundation  
Research and Training Institute

# My Contact Information

---

David Bennett

- Cell: 260-804-5617
- Email: [cfrtinstitute@gmail.com](mailto:cfrtinstitute@gmail.com)
- Website: [www.cfrti.com](http://www.cfrti.com)



# Birth of Community Foundations

---

The first community foundation was created in Cleveland in 1914. While local economies change over time, in 1914 Cleveland was a center of business and wealth creation – steel, shipping and banking, to name just a few industries that were important.

It is generally recognized that Frederick Goff, a businessman from Cleveland, was the founder of the first community foundation – The Cleveland Foundation

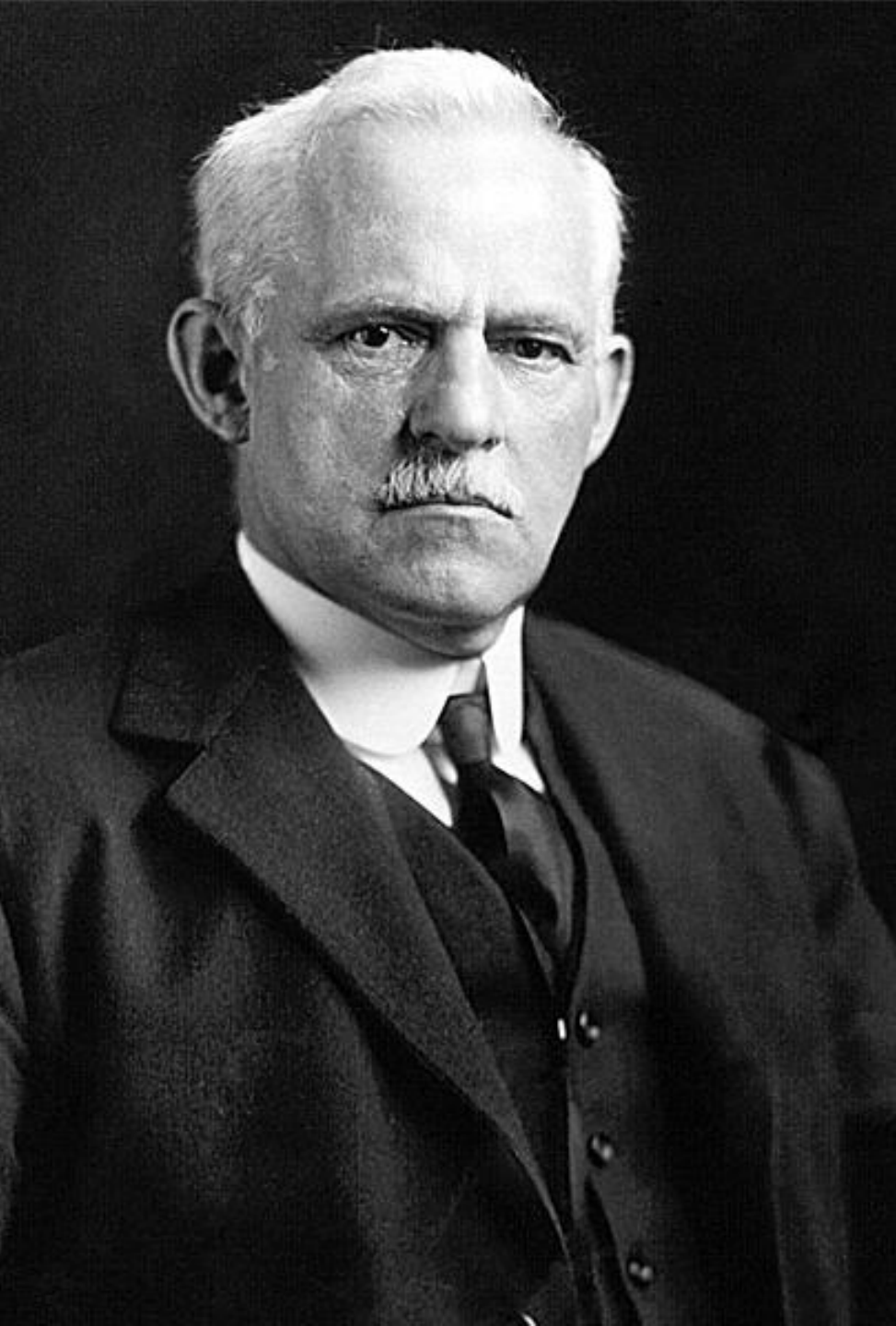
# Cleveland Foundation

---

First Community  
Foundation -  
Created in 1914







# Frederick Goff

---

Determined to find a better method for passing money from one generation to the next

Encouraged individuals to “pool” their money to meet the ever-changing needs of the community.

In 1914, he created The Cleveland Foundation.

The income generated by their investment would be allocated back into the community by an advisory team of local community leaders.

# How Is A Community Foundation Created?

---

A community foundation is created by a group of community leaders who come together and collectively decide to start the foundation.

Community foundations come in two types – trusts and corporations. In the early years of the field, almost all community foundations were in trust form – that is, a trust was created which was governed by trustees.

In later years – and particularly for the last 30 years – nearly all community foundations that were created were in corporate form, and are governed by a board of directors.

# The Community Foundation Field in 1931

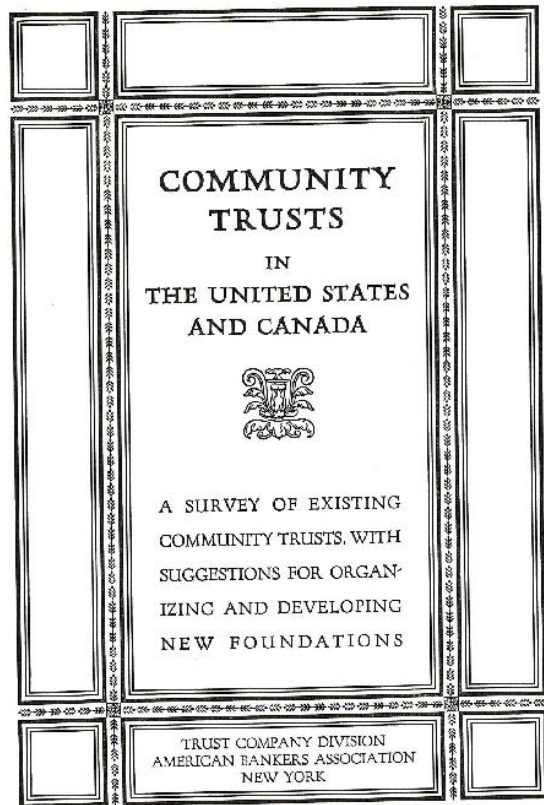
---

The next slide shows a document created in 1931 which was a census of all of the community foundations which existed in that year. The document lists 72 community foundations across the country – only 40 of which actually had assets in 1931.





# Community Trusts in 1931



72 Community Foundations  
40 of which had funds

This document is available for  
download elsewhere on our website.

# Growth in Last 30 Years

---

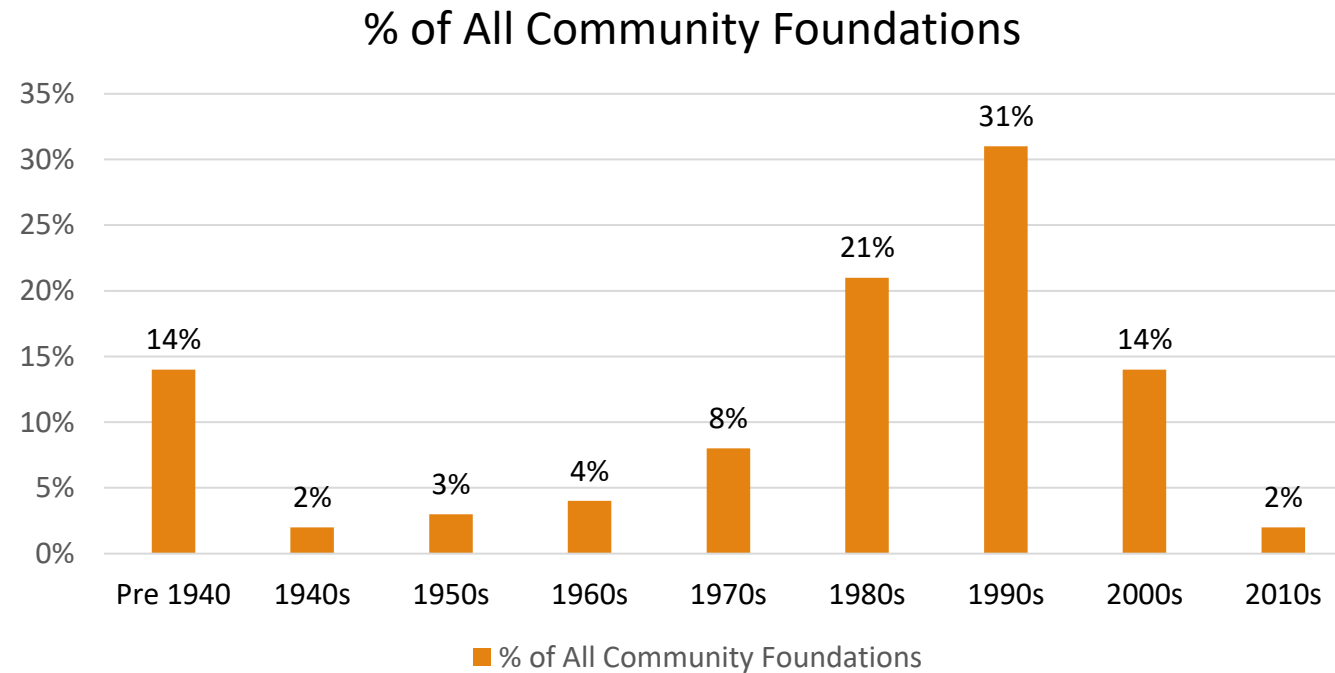
As the next slide shows, more than half of all community foundations were created in the 1980s and 1990s.

Today, almost all community foundations are in corporate form, but some of the older community foundations are still in trust form. Some foundations even operate under both trust form (for their older funds) and corporate form (for their newer funds)

# Founding Year

## *All Community Foundations*

---



# Who Governs a Community Foundation?

---

A community foundation is governed by trustees (if in trust form) or board members (if in corporate form).

If in trust form, a trustee is often appointed by a local bank.

In most instances with corporate form, board members are chosen by existing board members. In some instances, however, a board member might be appointed by a local institution – the local courts, for example, or the city or county where the community foundation is located.

# How is a Community Foundation defined?

---

There is no legal protection for the phrase “community foundation”. Anyone can create a corporation and give it the name “community foundation”.

To try to more clearly define just what a community foundation is, about 20 years ago leaders in the field came together to create a definition of a community foundation. This definition is on the next slide.

# Definition of a Community Foundation

---

1. Nonprofit, tax exempt under section 501(c)3
2. Independent, non-sectarian governing body
3. Publicly supported by many unrelated donors
4. Goal of building permanent component funds
5. Benefits the residents of a defined geographic area
6. Supports broad-based charitable interests
7. Serves in leadership role on community issues



# So .. How many community foundations are there?



---

Because of the rapid growth of the field in the last 30 years, it's likely true that just about every populated area of the United States is served by a community foundation.

In most instances, one community foundation is created to serve a particular geographic area. There are exceptions to this, however, as there are examples of a single area served by two or more foundations. Generally, however, it is more efficient to have a single community foundation serve a particular area

# How Many Community Foundations are there?

---



We think

*Around* 850

# So .. How many community foundations are there?

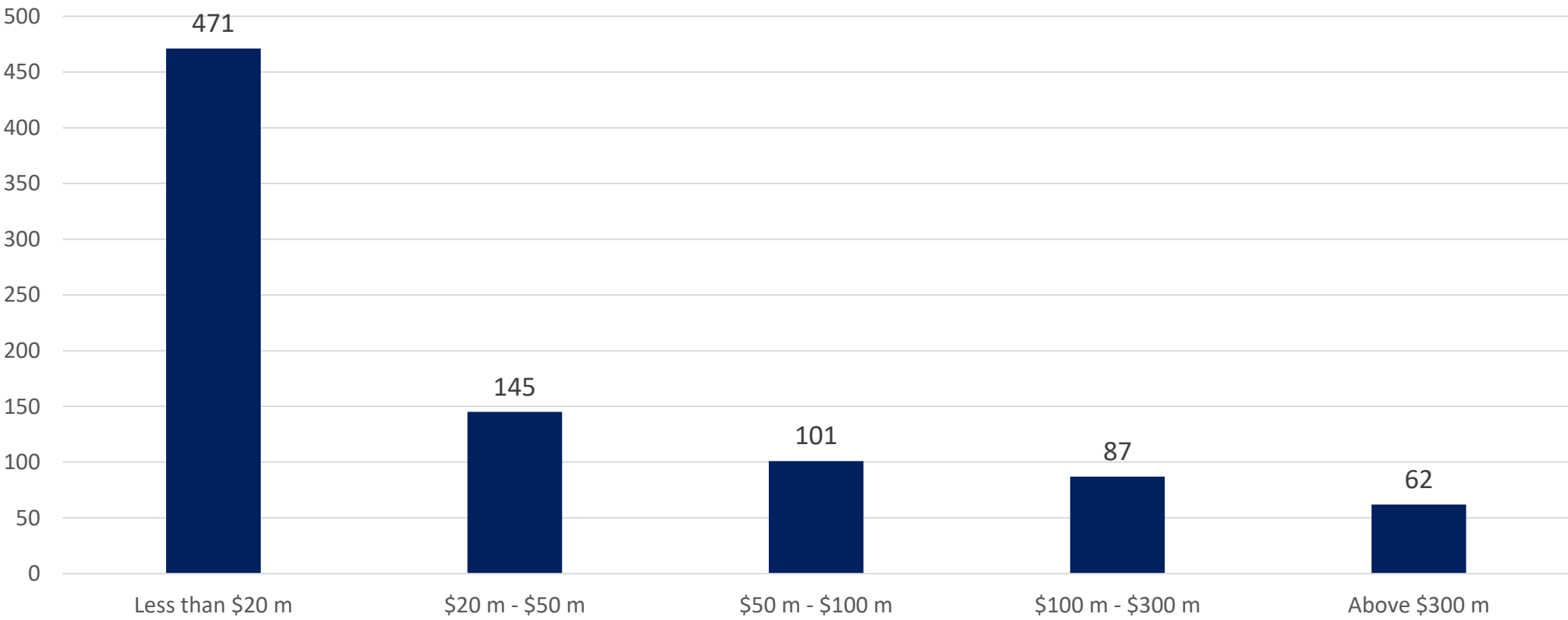
---

So, we think there are about 866 community foundations operating in the United States.

The next slides show a breakdown by asset levels. More than half of all community foundations have assets under \$20 million. On the other end of the scale, at least 60 community foundations have assets in excess of \$300 million.



# Number of Foundations, By Size



# Assets Held by Community Foundations

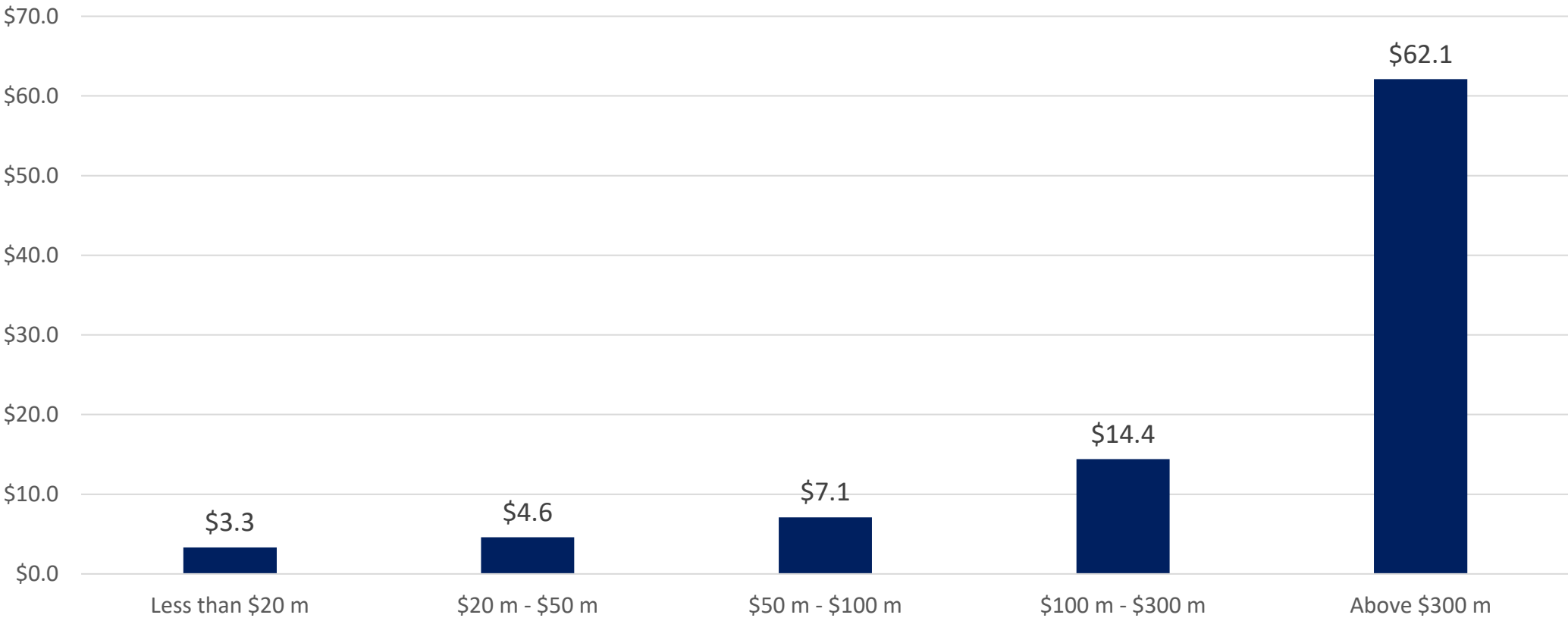
---

These 866 community foundations operating in the United States have total assets of about \$90 billion.

The largest community foundations hold most of those assets. Community foundations with assets above \$300 million hold about two-thirds of all community foundation assets in the United States.



# Assets of Foundations, By Size





# Largest Community Foundations

Name	Year Founded	Assets 2019
Silicon Valley Community Foundation	2006	\$ 10,287,000,820
Tulsa Community Foundation	1998	\$ 4,735,943,331
Greater Kansas City Community Foundation	1978	\$ 3,753,546,424
Chicago Community Trust	1915	\$ 2,973,091,223
New York Community Trust	1924	\$ 2,910,364,182
Oregon Community Foundation	1973	\$ 2,832,604,931
Foundation for the Carolinas	1962	\$ 2,732,203,874
Cleveland Foundation	1914	\$ 2,677,231,665
Columbus Foundation	1937	\$ 2,606,886,052
Marin Community Foundation	1986	\$ 2,597,633,373

# Growth Of Community Foundations

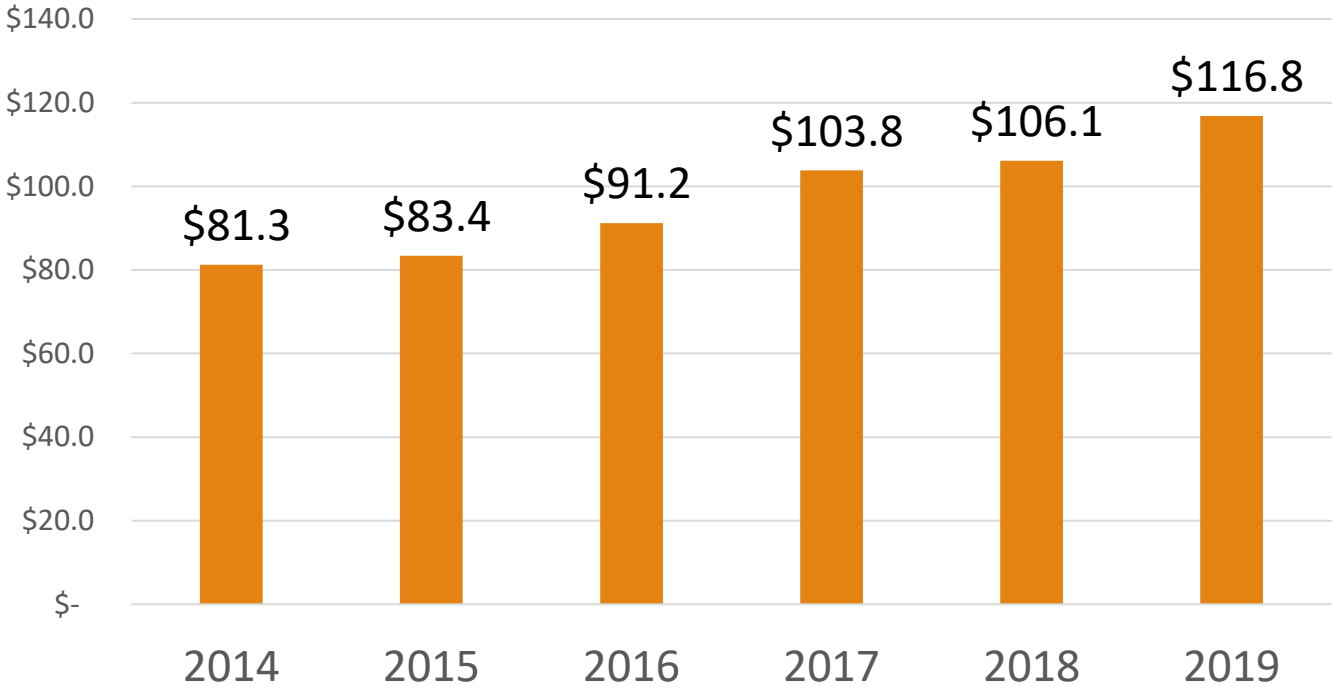
---

Asset growth at community foundations has been relatively modest in recent years.

As the next slide shows, for the field as a whole growth was in the low single digits from 2014 to 2015 and from 2015 to 2016.

# Assets of Community Foundations

*In \$ Billions*



# Growth Of Community Foundations

---

As the next slide shows, community foundation growth rates can vary significantly.

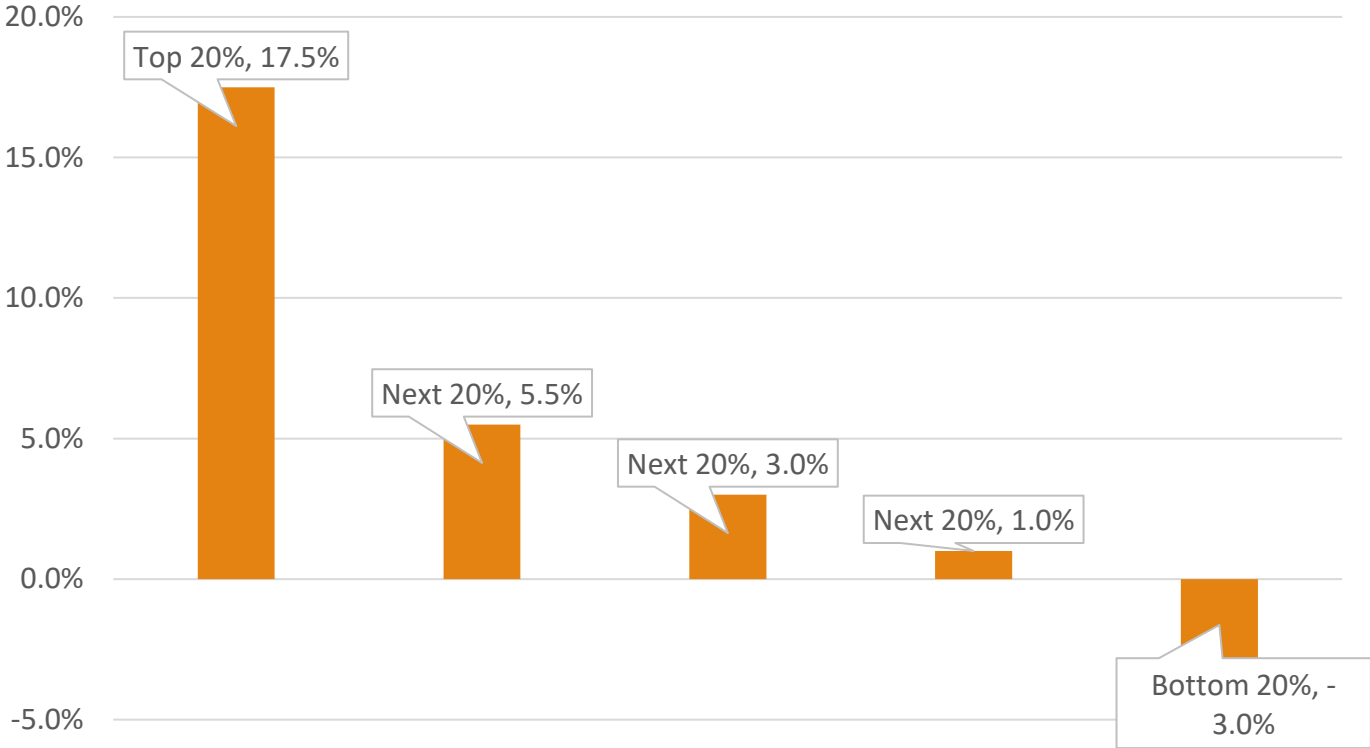
From 2014 to 2016, the fastest-growing 20% of community foundations grew at an average rate of 17.5%.

On the other end of the scale, the 20% of community foundations that grew at the slowest pace actually saw their asset levels decline by an average of -3.0%.



# Growth of CF Assets

2014-2016 (854 Community Foundations)



# Community Foundation Magic

---

While community foundations are continually receiving new gifts and creating new funds, in some communities extraordinary gifts have been given which change the community foundations – and the communities they serve – forever.

The following slides show just a few examples.

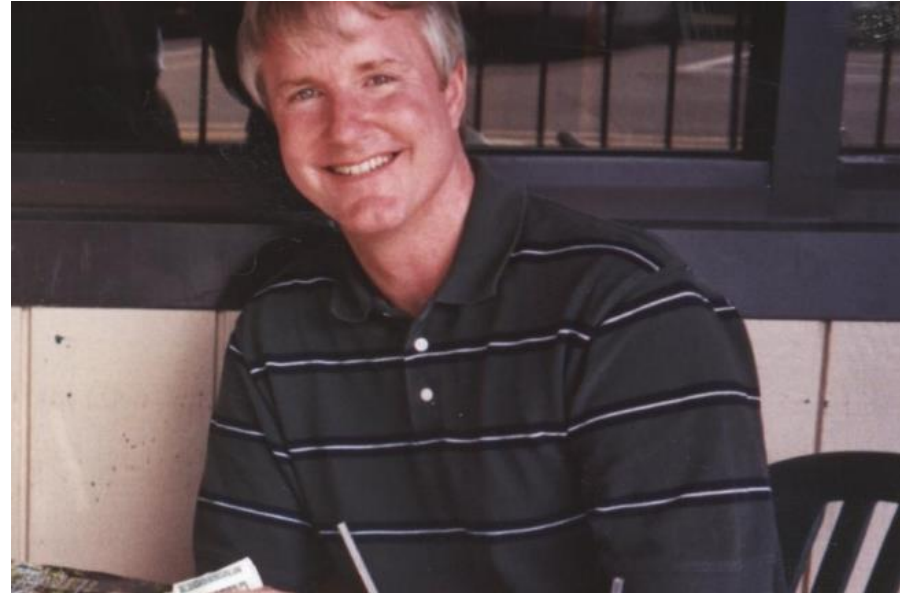


# Community Foundation Magic

---

## *David Grundlach*

*David passed away at an early age, and left an unrestricted \$175 million gift to Elkhart County Community Foundation*



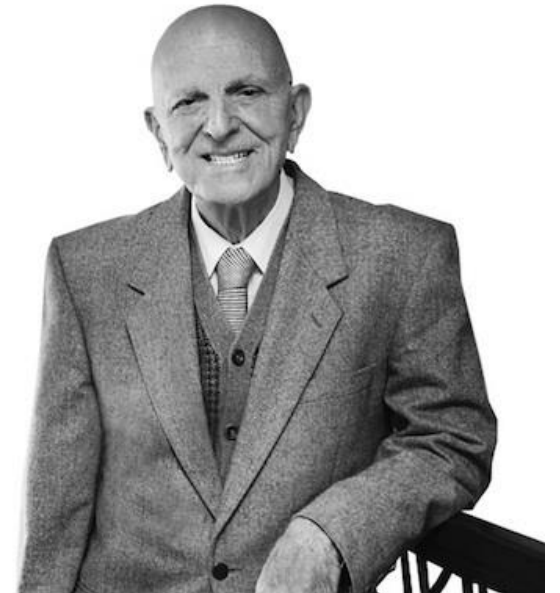
# Community Foundation Magic

---



*Mr. Santikos Left \$600  
Million to San Antonio  
Area Foundation*

John Louis Santikos  
1927 - 2014



# Community Foundation Magic

---

Mr. and Mrs. Nelson left a gift in excess of \$100 million to the Fox Valley Community Foundation in Appleton, Wisconsin.



*David and  
Rita Nelson*

# Minger Gift – Manistee, Michigan

---

**LATEST**

**MAY 31, 2017**

## **MANISTEE COUNTY COMMUNITY FOUNDATION RECEIVES \$15 MILLION ESTATE GIFT**

MANISTEE, Mich. – *May 31, 2017* – The Manistee County Community Foundation (MCCF) has received a \$15 million estate gift from Forest R. Minger, Jr. The landmark gift created two new endowment funds which will greatly benefit the community for years to come.

---



- Chemist at Dow Chemical
- No family - never married
- CF grew from \$3 million to \$25 million in just 2 years

# Community Foundation Standards

*Raising the Bar on Quality and Integrity*

---

As the community foundation field grew, leaders in the field came together to develop standards of quality and integrity – a type of “Good Housekeeping Seal of Approval” for community foundations.

Community foundations who wish to be in compliance with the standards submit documentation of their compliance. Impartial reviewers look at the documentation and, if approved, a community foundation can publicize their achievement.

## The Major Areas of National Standards include:

- Mission, Structure and Governance
- Resource Development
- Stewardship and Accountability
- Grantmaking and Community Leadership
- Donor Relations
- Communications

# National Standards for Community Foundations

---

The national standards are administered by the National Standards Board, which is a supporting organization of the Council on Foundations

Participation is voluntary; those foundations who choose to participate pay an annual fee to cover the costs of program administration

As shown on the next page, around two-thirds of community foundations choose to participate

# WHO PARTICIPATES IN NATIONAL STANDARDS?



**67%** of all U.S. Community Foundations

*Meeting the definition of a public foundation with component funds*



**94%** of the 25 Largest Community Foundations by Assets & Grantmaking



**31%** of Accredited CFs with \$10 million in Assets or Less



If a community foundation is found to be in compliance with the standards, they can use the following symbol in their marketing material:



Excellence. Accountability. Impact.™

# Associations and Affinity Groups

---

# National and State Associations

---

Community foundations can choose to be part of national and statewide associations.

At the national level, the largest organization representing foundations is the Council on Foundations. The Council provides training, legal advice, and networking opportunities to community foundations as well as other types of foundations.

Community foundations may also have access to a statewide association which also provide training, conferences and other opportunities for community foundations.

# Affinity Groups

---

Staff at a Community Foundation also have the opportunity for education, training and networking through “affinity groups”, which bring together staff with similar job functions.



*ProNet*

**AdNet**



# My Contact Information

---

That's it for Knowledge Nugget #1. If you want to test what you learned, there's a short quiz located elsewhere on this website.

If you have any questions or comments, please contact me using this information

David Bennett

- Cell: 260-804-5617
- Email: [cfrtinstitute@gmail.com](mailto:cfrtinstitute@gmail.com)
- Website: [www.cfrti.com](http://www.cfrti.com)

*Keep up the good work ... what you are doing for  
your community is so important.*