

# Frequently Asked Questions



## What does the Perth and District Community Foundation do?

- Pools the charitable gifts of donors into an income earning endowment funds that benefit the residents of the area and fulfill the philanthropic objects of individual donors, families or organizations.
- Makes grants from the earnings of these funds to support a broad variety of initiatives for youth, seniors, health and support services, education, environment, arts and culture, sports and recreation and social development.
- Offers advice and support to individuals and organizations seeking to make philanthropic decisions.
- Provides leadership as a community convener, bringing people together from all sectors to identify and address community well-being issues.

## Why use a Community Foundation?

- The Community Foundation provides a vehicle through which donors may realize their charitable objectives
- The Community Foundation prides itself on flexibility, providing a range of services to help donors realize their charitable objectives. Donors may have as much or as little involvement as they wish in how their money is disbursed.
  - The Community Foundation can assist people who wish to enjoy the tax saving advantages of charitable contributions in a particular year but are uncertain which charities they would like to support. They can establish a fund quickly, obtain a tax receipt for the contributed amount, and then decide later where to focus their giving from the fund.

## Who runs it?

The Community Foundation is independent, autonomous and accountable to the community as a whole. As a way to ensure that the Foundation will be well managed today and into the future, the board of directors is appointed by an external Nominating Committee made up of individuals in leadership positions of responsibility and influence in the community. The committee is responsible for selecting the best possible people to fill vacancies as they arise on the Board, people who are selected for their integrity, expertise and ability to serve the Community Foundation. Directors serve without compensation.



## Why establish a Donor- Advised Fund instead of a private foundation?

Starting up a private foundation requires the creation of a new organization, establishment of a board of trustees, obtaining registered charitable status from the Canada Revenue Agency, and the ongoing filing of

financial and other reports. A fund at the community foundation is far easier and faster to establish and entails no start-up costs.

### Who gives?

Individuals, families, clubs, corporations and other charities contribute. The Community Foundation makes it easy for people of all means to participate.

Individuals and families can establish an advised fund within the Community Foundation instead of establishing their own private foundation. They find this approach easier and cheaper to set up and administer.

Corporations can rely on the expertise of the Community Foundation to administer their corporate donations programs.



Many charities place their endowment funds with the Community Foundation in order to ensure their future financial viability, preserve their endowments in perpetuity and benefit from ongoing professional endowment management expertise.

### What is an endowment fund?

An endowment fund is a permanent, self-sustaining source of funding. Assets in an endowment fund are invested. Each year, a portion of the value of the fund is paid out to support the fund's purpose, and any earnings in excess of this distribution are used to build the fund's value. In this way, an endowment fund can grow and provide support for its designated purpose in perpetuity.

### How much must I contribute to establish a fund?

The minimum contribution to establish a fund is \$5000, which may be built up over a five-year period.

### What does it cost?

The current Community Foundation service fee policy assigns a total annual administration fee of 1% for most funds.

### Where can I get additional information?

All the Community Foundation's policies, audited financial statements, information for donors and grant seekers are available on request or online at [www.pdcf.ca](http://www.pdcf.ca)

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