



## A Guide

### Who we are

Established in 1983, the SCF provides a means for individuals, families, organizations, and businesses to establish or contribute to a collection of funds that support various aspects of community. Most of the funds held by SCF are endowed which means that the capital will be used to generate income that is then granted to other charitable causes. While our preference is to support Sarnia and Lambton County we are not restricted by geography and are able to direct that income to all areas that support the community. That includes the arts, social services, education, health care, the environment, children and youth and scholarships.

A board of directors, comprised of individuals reflective of our community, oversees the operation of the Foundation. Board terms are mandated by the legislation that created us and members are nominated through an external nomination process. They serve without remuneration.

The day to day operation of the Foundation is managed by an Executive Director, such staff as are deemed advisable and a number of volunteers who give of their time and talents to ensure the Foundation can operate both professionally and cost effectively.

### Our Vision

Enriching our community with endowments, grants and leadership

### Our Mission

Granting to community charitable causes by creating endowments and managing funds that will make a difference forever

### Our Values

- **Integrity:** We hold ourselves to the highest ethical standards and best business practices.
- **Stewardship:** We prudently manage the resources entrusted to us, seeking both growth and preservation of the capital.
- **Caring:** We are receptive to all charitable initiatives and actively seek ways to benefit the community.
- **Collaboration:** We work effectively with our community partners to provide for the needs identified in the community.
- **Confidentiality:** We respect the privacy of all individuals and organizations.

### What we do- How we work for the community

#### *We fulfill our mission in three ways*

1. We work with donors to establish and build endowed and special project funds
2. We make grants to community organizations from the income earned on our endowed funds and to the projects identified by donors.
3. We provide leadership in the community through actively researching emerging trends, facilitating partnerships and understanding community needs.

The Foundation works with donors from all walks of life. Over our history, most of the donations we have been entrusted with have been modest but as a part of a larger pool those donations have been able to do great things. ***Every donation of any size is valued because it helps the Foundation build a community that cares.***

## How we can help you- Why you should learn more about us

We help our community thrive by helping to build a community that is vital and resilient. As a public foundation, we are charged with the responsibility of being good stewards of the funds entrusted to us. We take that responsibility seriously.

## How a Fund is established with the Sarnia Community Foundation

A donor initiates the process by speaking with SCF about their wish to donate to an existing fund or establish a new fund. The many options for giving are discussed and in the case of a new fund being established a formal agreement is drawn up identifying the name of the proposed fund, its purpose, any restrictions and any preference with regard to the distribution of the income and /or capital.

Endowment Funds are often created to support favourite charitable causes or areas of interest. We encourage donors to discuss their wishes with their families and their professional advisors when considering the establishment of a fund.

Donations to all funds held by the Foundation are eligible to receive a tax receipt.

The Foundation offers a number of options when establishing funds subject to any minimum capital requirements, as follows:

**Community Fund** (No minimum). All undesignated contributions, large or small, are added to this Fund which gives the Foundation the flexibility to respond to changing community needs. Grants from this fund are made annually through the work of the Foundation's grants committee.

**Marceil Saddy Operating Fund** (No minimum). Like any other charitable organization, we require funds to cover operating expenses. Unlike most other charities, we have an endowed operating fund that was established through the vision of Marceil Saddy for the community. This fund can be added to by community members.

**Memorial Fund** (No minimum). This is a particularly effective way to remember loved ones. Family and friends can direct donations to a fund with the Sarnia Community Foundation rather than small donations to one or more other charities. If the minimum \$5,000 for establishing a Named Fund is attained, the deceased receives permanent recognition in our community.

**Named Fund** within the Community, Operations, Memorial, or an Agency Endowment Fund can be established (\$5,000 initially or over a period of 5 years).

**Field-of-Interest Fund** (\$10,000 minimum which can be built over time) Although the donor defines the charitable field of interest to which the grant from the income on the fund should be directed, the Foundation's Grants Committee determines the qualified recipient(s).

**Designated Fund** (\$10,000 minimum which can be built over time) Donor directs the grant from the income on the fund to a named local charitable organization, or to a specific cause, scholarship, bursary, or other similar undertaking.

**Donor Advised Fund** (\$25,000 minimum which can be built over time). Donor advises the Foundation each year which local charitable organizations are to receive grants from the income.

**Agency Endowment Fund** (No minimum). Non-profit organizations take advantage of our Foundation's professional investment arrangement and administrative experience to act as stewards of their funds. While no minimum is required to initially set up the endowment fund, a substantial commitment to contribute additional capital to the

fund over a period of time is expected. The agency would be expected to work in partnership with the SCF to build the fund or attract legacy donors to the fund.

**Business Fund** (\$50,000 minimum initially or over time) Those companies wishing to establish a permanent identity as a good business citizen and visibly give back each year to the community may establish their own endowment fund. A business that wishes to rationalize its annual giving program, or reduce the administrative costs of dealing directly with funding requests may wish to use the Foundation's resources to evaluate and provide for those requests from the investment income of its Fund in supporting one or more charitable organizations or causes each year

### **What happens once a fund is established?**

Donors establishing a fund receive a copy of their fund agreement, a tax receipt for donations and can choose to have the Foundation publicize the establishment of the fund. They will also receive a thank you call from a member of the Board and be invited to attend Foundation donor functions. On an annual basis the fund holder or agency representing the fund holder will be apprised of the value of the fund and the impact that it has had on the community.

All donations to our endowed funds are pooled and professionally invested. **As a general rule, we do not spend the capital** though a fund may be developed that is time limited in nature depending on the wishes of the donor. A percentage of the income earned on the fund is distributed annually in the form of a grant to qualified donees under the rules of the Canada Revenue Agency. Some donors have the opportunity to direct the grants from their fund; others choose to allow the Community Grants committee to do so on their behalf. It all depends on their fund agreement and what they want to accomplish by donating to their community foundation. Additional capital may be added to their Fund at any time.

### **What Fees Are Charged?**

There is no cost to set up a Fund or for the advice of the Foundation in considering the best option in making a charitable gift. Once a fund is established, the foundation calculates a fee based on the value of the fund and the complexity in administering the donor's wishes. The monies are taken from the income the Foundation earns on the capital pool so the donor/agency does not receive a bill for service. Generally, the rate is 1.5% of the year end closing balance. This charge is directed to the Foundations operating account. The final percentage is specified in the fund agreement.

### **What Information and Recognition Will Donors Receive?**

The donor is consulted about the level of publicity they wish to have for their fund and those wishes are included in the fund agreement. Requests for privacy are honoured.

Each donor receives our Annual Report including a summary of our audited financial statements. Fund holders at certain levels also receive personalized reporting with regard to the balance of the fund, the charitable grants made from their Fund as well as invitations to attend both our annual awards ceremony and annual donor /fund holder receptions. In certain instances, a donor may be involved in a grant presentation, have the name of their fund inscribed on a donor wall or building or be chosen to be a part of our publicity efforts.

The name of each endowed fund will be published on both our website and in our Annual Report, unless anonymity is requested. The amount of the donation is NOT published unless the donor gives permission.

Fund holders can expect at least one personal note or phone call from the Foundation annually. These will not be requests for further funds.

The Foundation does not share, rent or sell its donor lists to other organizations.

## A Fund at SCF vs Private Family Foundation or a Commercial Gift Fund

A family that is considering setting up a private foundation may find it quicker, less expensive and less troublesome on an ongoing basis to set up a Donor Advised Fund with the Sarnia Community Foundation. As the Foundation is already established, there are no legal fees for set up, no need for a separate board, no need for a separate audit, no need to establish operational policies and procedures and no need to register with the Canada Revenue Agency as a foundation. Donor advised fund holders direct the grantable income earned on their fund to the charity or charities of their choice. The dollar value required to establish a fund is considerably lower than the figure experts suggest is needed to have a private foundation.

Commercial gift funds are a relatively recent addition to the offerings of financial institutions for their clients and do provide a donor with an opportunity to have an impact in the charitable sector. It is important to remember that these funds have been established for commercial reasons. The professional advisor is central to the model and in many arrangements they receive compensation for each transaction made on the donor's behalf. While this is not necessarily a negative, it can mean that the charges are considerable and that less is directed to the charities identified. After the donor or the donor successors pass on the grant making decisions are more likely be directed the corporate foundation which may not have the same knowledge of the community and emerging needs.

The Sarnia Community Foundation offers a broad experience with community need, knowledge of the local charitable sector, the tax advantages of gift planning, and a means for donors to actively engage in their own philanthropy. A community foundation is based on the premise of building an better community using a not for profit model

### Advantages of Using the Sarnia Community Foundation for Charitable Giving

**Flexibility:** Several charitable organizations or causes can be provided for with a single gift.

**Agility:** Almost any charitable intent can be realized by setting up a fund, including the arts, culture, heritage, social services, health care, education, children & youth, environment, and recreation.

**Permanence:** Unless otherwise specified by the donor, their Fund will remain invested in perpetuity with continuing income being directed to local charities. Donor directions for disbursement of the income can be honoured even after the donor or their successors are no longer able to provide direction.

**Recognition:** Unless anonymity is requested, all fund holders receive recognition in our annual report and other publications. If requested, the donor's fund is identified to the charities receiving grants from their fund.

**Investment Expertise:** All funds are managed by one or more professional firms with proven long-term track records approved by the Foundation's board of directors. Such investments are carefully monitored and are housed within a balanced portfolio that is intended to generate income on an annual basis.

**Tax Benefits:** Since the Sarnia Community Foundation is a registered charity under the Income Tax Act, donors receive a tax receipt for contributions. The Foundation is also able to accept gifts of stock, life insurance and other property and can, with proper valuation, provide tax receipts for these gifts.

**Cost Effective:** With an overall administration fee of 1.5% or lower, the Sarnia Community Foundation provides an attractive alternative to those considering the establishment of a private foundation. Our threshold levels for charitable fund establishment are generally lower than those of administered by banks and their philanthropic foundations.

**Community Benefits:** Through its active role in Sarnia and Lambton County community, as well as its annual charitable grants, the Foundation has proven to make a significant difference to the quality of community life.

**Local Control:** The Sarnia Community Foundation Board is comprised of residents of Lambton County. Our committee members are residents of Lambton County. The work of the Foundation is completed and supervised by people who live locally and know the community.

### **A Final Word**

We're happy to answer questions you might have. You can find further information about us and our work on our website [www.sarniacommunityfoundation.ca](http://www.sarniacommunityfoundation.ca) or by calling us at 519-332 2588.