



Community Foundations
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du Canada

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DEFINITION OF A COMMUNITY FOUNDATION

BACKGROUND

Community foundations meeting the following criteria are eligible for membership in Community Foundations of Canada. *The Community Foundation Difference: Describing What Makes Us Special* is an essential document for members of Community Foundations of Canada and those considering membership. It explains the criteria which were developed as a result of thorough discussion and consultation throughout the network of community foundations in Canada. *The Community Foundation Difference* was endorsed by the Community Foundations of Canada membership at the national conference held in Kelowna BC in May 2002.

THE DEFINITION

A community foundation is a philanthropic organization focused on building permanent endowments in order to tackle long-term community challenges as well as meeting immediate needs.

Specifically, full members of Community Foundations of Canada must:

- be officially registered as a charity and be designated by the Canada Customs and Revenue Agency as a tax exempt Public Foundation and, as such, be assigned a Business Number that reflects charitable status;
- be independent and autonomous (not controlled directly or indirectly by government, corporations, associations, individuals, related family members, or particular religious, cultural or ethnic groups) and be governed by a body of volunteers, usually independently appointed, which strives to represent and be accountable to the community it serves;
- maintain a broad grants program providing funding to many different grantees in a range of fields of interest and segments of the population. Grantees must be "qualified donees" as defined in the *Income Tax Act*¹;
- be structured primarily as a growing collection of permanent and non-permanent endowment funds, which includes a pool of unrestricted dollars, that support the diverse

¹ Qualified donees are:

- registered charities;
- registered Canadian amateur athletic organizations;
- registered national arts service organizations;
- housing corporations resident in Canada constituted exclusively to provide low-cost housing for the aged;
- the United Nations and its agencies;
- universities outside Canada listed in Schedule VIII of the *Income Tax Regulations*;
- charitable organizations outside Canada to which Her Majesty in right of Canada (the federal government or its agents) has made a gift during the charity's fiscal period or in the 12 months immediately preceding the period;
- municipalities in Canada; and
- Her Majesty in right of Canada or in right of a province (that is, the federal government, a provincial government, or their agents).

- charitable purposes specified by the governing body and by its donors;
- describe itself as a “community foundation” without necessarily having the words “community foundation” in its legal name;
- focus its grant-making and charitable services primarily in a defined geographic area;
- be a prudent and responsible steward and investor of charitable funds, maintaining complete and accurate financial records;
- regularly monitor its internal processes and activities with the goal of meeting the highest standards of practice in all its activities;

With support from Community Foundations of Canada and its network of community foundations, members must strive to:

- provide a broad range of giving opportunities for donors, and a variety of services to help them achieve their philanthropic goals;
- consult with the community to guide the foundation’s grantmaking and other activities, and act as a catalyst for community action on issues of broad community concern.

Endorsed by the CFC membership
Kelowna BC
May 2002