

Civic Foundations vs. Community Foundations

Both make grants that directly impact community residents.

Both are supported by a wide range of donors.

Both have governing boards composed of volunteers, knowledgeable of their community and recognized for their personal involvement in civic affairs.

A **civic foundation** is a tax-exempt public charity organized and operated as a "pass-through" for funds for the benefit of one village, town or city.

Often established as "pass-through foundations," civic foundations do not accumulate substantial principal. Rather, they elect to distribute all the contributions received for any given year. Funds are often raised for a specific project, e.g. defibrillators for the fire department or park playground equipment.

The grantmaking of a civic foundation usually focuses on the functioning, integration and development of a *specific geographic, governmental area*, i.e. a village, town, or city.

A **community foundation** is a tax-exempt public charity organized and operated as a permanent collection of endowed funds for the long-term benefit of a defined geographic area.

A community foundation is commonly known as a community trust, fund or foundation—or a similar name conveying the concept of an *endowment fund* to support charitable activities in the geographic area served. Building a *permanent*, endowment fund is typically the mission of a community foundation. An endowed fund arises when money received from the community is invested and managed to assure a steady stream of income for grants and other charitable activities.

A community foundation usually serves several communities within a *defined geographic area*, i.e. the area often extends beyond the zone limits of a village, town or city. Most often, community foundations serve an area defined by county borders. For example, Manistee County is served by the Manistee County Community Foundation. Likewise, the Community Foundation for Southeastern Michigan serves a seven-county area.

Community foundations make grants to a variety of nonprofit organizations within their service area, such as schools, governmental entities, human service and health care organizations, and arts organizations.