



Why National Standards?

Understanding the value of community foundation compliance



Agenda

- About National Standards
- Why National Standards?
- What's New with National Standards
- Fee and Payment Options
- Application Process
- Next Steps

About National Standards

A Tangible Set of Benchmarks

National Standards focus on **six key areas** of operation

Mission, structure and governance

Resource development

Stewardship and accountability

Grantmaking and community leadership

Donor relations

Communications

A Tangible Set of Benchmarks

National Standards focus on **six key areas** of operation

Mission, structure and governance

Resource development

Stewardship and accountability

Grantmaking and community leadership

Donor relations

Communications

Where Did National Standards Come From?

Many within the field recognized that, if community foundations didn't define themselves...**someone else would**

“Our Foundation is proud to display the National Standards certification logo on all marketing materials. It sets us above other nonprofit organizations, eliminating any questions or concerns on how we manage our organization.”

Victor Chavez, President, Board of Trustees,
Albuquerque Community Foundation

Supported by Community Foundations National Standards Board

Brian Frederick

President/CEO | Community Foundation of Lorain County | Lorain, OH

Deborah Fugenschuh

President | Donors Forum of Wisconsin | Milwaukee, WI

Mary Jalonick

President | The Dallas Foundation | Dallas, TX

Carl Little

Director, Communications & Marketing | Maine Community Foundation | Ellsworth, ME

Richard Mappin

Vice President for Grantmaking | Berks County Community Foundation | Reading, PA

Donnell Mersereau

Director, Community Foundations | Council of Michigan Foundations | Grand Haven, MI

Ruben Orduña

Vice President for Development | The Boston Foundation | Boston, MA

Hugh Ralston

President/CEO | Ventura County Community Foundation | Camarillo, CA

Randall Royster

Executive Director | Albuquerque Community Foundation | Albuquerque, NM

Paul Velaski

Chief Financial Officer | Arizona Community Foundation | Phoenix, AZ

Gay Young

Director, Donor Relations | New York Community Trust | New York, NY

Diane Miller

National Standards Manager | Council on Foundations | Arlington, VA

National Standards Seal

The National Standards Seal indicates transparency and accountability



*Confirmed in Compliance
with National Standards for
U.S. Community Foundations*

Fast Facts

80% of community foundations confirmed in compliance with National Standards believe the process was valuable beyond gaining access to the Standards Seal*

93 of the 100 biggest community foundations are confirmed

Community foundations in the U.S administer \$40 billion in charitable funds

A donor in Indiana gave \$10,000 as a direct response to her community foundation's compliance with National Standards

Why National Standards

Four Important Reasons to Comply

1. Provide evidence of excellence

Four Important Reasons to Comply

- 1. Provide** evidence of excellence
- 2. Guide** sound policies, accountable practices

Four Important Reasons to Comply

1. **Provide** evidence of excellence
2. **Guide** sound policies, accountable practices
3. **Build** capacity to carry out missions

Four Important Reasons to Comply

1. **Provide** evidence of excellence
2. **Guide** sound policies, accountable practices
3. **Build** capacity to carry out missions
4. **Distinguish** community foundations

Special Benefits

Field-wide recognition

The screenshot displays the Council of Foundations website interface. At the top, the logo reads "COUNCIL OF FOUNDATIONS" with the tagline "Defining Philanthropy for the 21st Century". Navigation links include "Home", "Register", "Store", "Shopping Cart", "Feedback", and "Subscriptions". A secondary menu contains "Council", "Network", "Learn", "Action", and "Members". A search bar is located on the right. The main content area shows "Search Results" for the "Midwest Region" and "Michigan".

Search Results

Midwest Region

Michigan

- Albion Community Foundation**
203 S. Superior
P.O. Box 156
Albion, MI 49224-1774
PHONE: 517/629-3349
FAX: 517/629-9027
CONTACT: Elizabeth N. Schultheis, Executive Director
- Alger Regional Community Foundation**
Post Office Box 39
Munising, MI 49862
PHONE: 506/267-4688
FAX: 506/267-5178
CONTACT: Mary B. Bowerman, Executive Director
- Alegan County Community Foundation**
524 Mainland Street
Alegan, MI 49010
PHONE: 268/873-8844
FAX: 268/873-8745
CONTACT: Theresa M. Bray, Executive Director
- Ann Arbor Area Community Foundation**
301 North Main St., Suite 300
Ann Arbor, MI 48104-1113
PHONE: 734/663-3011
FAX: 734/663-3514
CONTACT: Cheryl W. Elstut, President & CEO
- Athens Area Community Foundation**
P.O. Box 205
Athens, MI 49011
- Beraga County Community Foundation**
P.O. Box 338
100 Herbeck Street
L'Anse, MI 49948
PHONE: 569/353-7898
FAX: 569/353-7898
CONTACT: Gordetta Leutz, Executive Director
- Barry Community Foundation**
825 West State Street
Suite 201
Hastings, MI 49058
PHONE: 269/945-0528
FAX: 269/945-0528
CONTACT: Bonnie Ballinger Hühner, Executive Director
- Battle Creek Academy**
485 Parkway Drive
Battle Creek, MI 49815

Special Benefits

Field-wide **recognition**

Authorized use of **National Standards Seal**



Special Benefits

Field-wide recognition

Authorized use of National Standards Seal

Access to National Standards Marketing and Communications Toolkit



people who give
safeguard health nurture wetlands expand literacy
promote culture defend peace
celebrate music preserve farmland alleviate asthma neuter pets
foster community
build museums cultivate gardens nurture wetlands protect dunes rescue owls educate youth
support the arts cure illness
pursue justice feed children connect families
protect wildlife comfort infants shelter runaways save whales
seek a higher standard for living

They deserve a higher standard for giving.
Whatever the cause.



The National Standards Seal by our name confirms that we have met the most rigorous standards in philanthropy and that we have demonstrated our commitment to financial security, transparency and accountability.

Call [name of development officer or executive] at Hometown Community Foundation to learn more: xxx xxx-xxxx

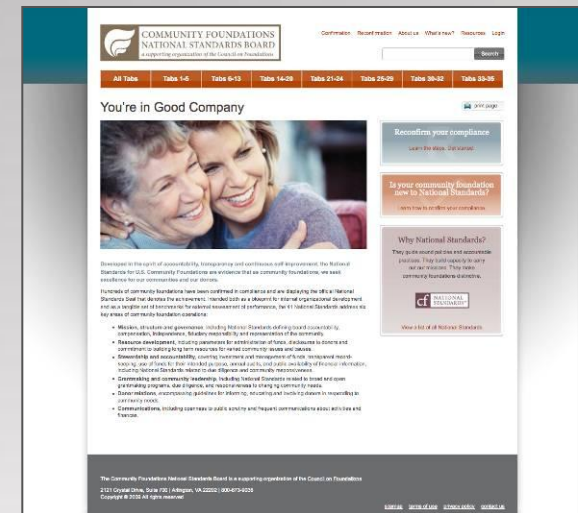
Special Benefits

Field-wide recognition

Authorized use of National Standards Seal

Access to National Standards Marketing and Communications Toolkit

Unlimited access to National Standards website

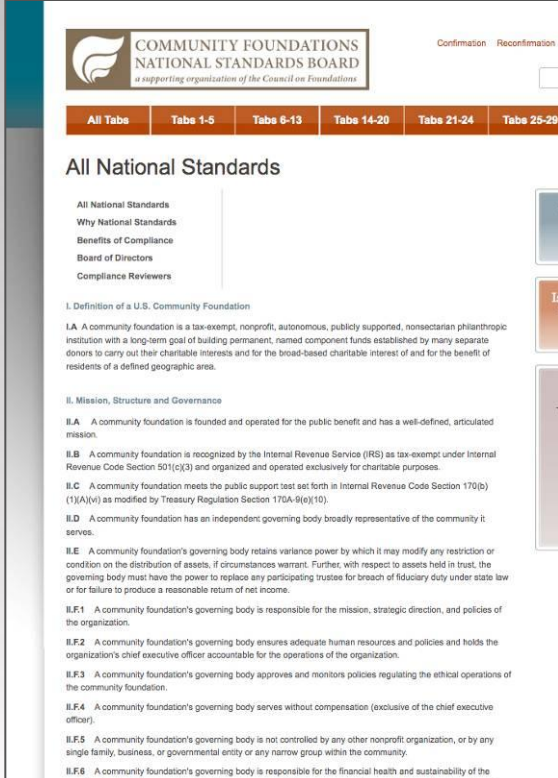


What's New with National Standards

Updated National Standards

Reflect Pension Protection Act

Address geographic component funds (affiliates), human resources, whistleblower policies, and others



The screenshot displays the website for the Community Foundations National Standards Board. At the top, the logo features a stylized bird icon next to the text 'COMMUNITY FOUNDATIONS NATIONAL STANDARDS BOARD' and the subtitle 'a supporting organization of the Council on Foundations'. To the right of the logo are the links 'Confirmation' and 'Reconfirmation'. Below the logo is a navigation bar with tabs for 'All Tabs', 'Tabs 1-5', 'Tabs 6-13', 'Tabs 14-20', 'Tabs 21-24', and 'Tabs 25-29'. The main content area is titled 'All National Standards' and lists several sections: 'All National Standards', 'Why National Standards', 'Benefits of Compliance', 'Board of Directors', and 'Compliance Reviewers'. The 'I. Definition of a U.S. Community Foundation' section is expanded, showing a list of standards from I.A. to I.F.6. Each standard includes a brief description of its requirements.

COMMUNITY FOUNDATIONS
NATIONAL STANDARDS BOARD
a supporting organization of the Council on Foundations

Confirmation Reconfirmation

All Tabs Tabs 1-5 Tabs 6-13 Tabs 14-20 Tabs 21-24 Tabs 25-29

All National Standards

- All National Standards
- Why National Standards
- Benefits of Compliance
- Board of Directors
- Compliance Reviewers

I. Definition of a U.S. Community Foundation

I.A. A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area.

II. Mission, Structure and Governance

II.A. A community foundation is founded and operated for the public benefit and has a well-defined, articulated mission.

II.B. A community foundation is recognized by the Internal Revenue Service (IRS) as tax-exempt under Internal Revenue Code Section 501(c)(3) and organized and operated exclusively for charitable purposes.

II.C. A community foundation meets the public support test set forth in Internal Revenue Code Section 170(b)(1)(A)(v) as modified by Treasury Regulation Section 170A-9(e)(10).

II.D. A community foundation has an independent governing body broadly representative of the community it serves.

II.E. A community foundation's governing body retains variance power by which it may modify any restriction or condition on the distribution of assets, if circumstances warrant. Further, with respect to assets held in trust, the governing body must have the power to replace any participating trustee for breach of fiduciary duty under state law or for failure to produce a reasonable return of net income.

II.F.1 A community foundation's governing body is responsible for the mission, strategic direction, and policies of the organization.

II.F.2 A community foundation's governing body ensures adequate human resources and policies and holds the organization's chief executive officer accountable for the operations of the organization.

II.F.3 A community foundation's governing body approves and monitors policies regulating the ethical operations of the community foundation.

II.F.4 A community foundation's governing body serves without compensation (exclusive of the chief executive officer).

II.F.5 A community foundation's governing body is not controlled by any other nonprofit organization, or by any single family, business, or governmental entity or any narrow group within the community.

II.F.6 A community foundation's governing body is responsible for the financial health and sustainability of the

New Reconfirmation Process

Streamlined procedures and integrated Standards and key elements mean **fewer items to submit**

Reconfirmation submissions need to satisfy:
All new National Standards
Pension Protection Act requirements
Core material requirements and
Any key elements effected by material changes

Notifications come **one year in advance** of submission date

The screenshot displays the website for the Community Foundations National Standards Board. At the top, the logo and name are visible, along with the text "a supporting organization of the Council on Foundations". A navigation bar contains tabs for "All Tabs", "Tabs 1-5", "Tabs 6-13", "Tabs 14-20", "Tabs 21-24", and "Tabs 25-29". The main heading reads "Be Reconfirmed in Compliance with National Standards". Below this, a section titled "Reconfirmation Requirements" states that five years after initial confirmation, organizations must complete a reconfirmation process. A paragraph explains that organizations must verify compliance evidence and provide new information for changes. A list of steps is provided: 1. Receive your reconfirmation submission date. 2. Send your Statement of Agreement. 3. Review your old compliance evidence. The page also includes a sidebar with a search icon and a "Confirmation Reconfirmation" link.

Technical Assistance

New National Standards Website

- Robust library of **sample documents**
- Tab-specific **FAQs and tips**
- Comprehensive **glossary**
- Vetted **sample language**
- Highlighted **core materials**

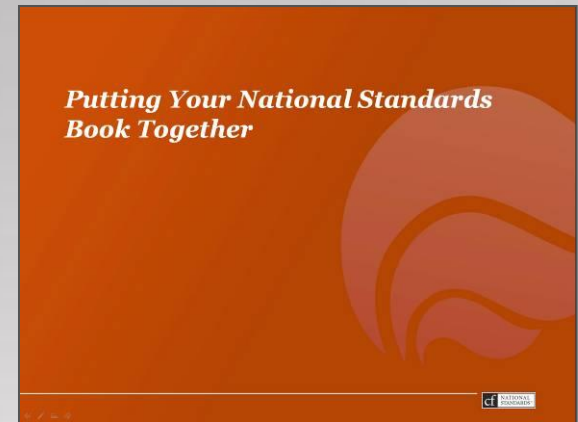
The screenshot displays the website for the Community Foundations National Standards Board. The header includes the organization's name and logo, along with navigation links for Confirmation, Reconfirmation, and About us. A tabbed interface is visible, with 'Tab 1: Governance and Related Documents' selected. The main content area for Tab 1 includes a description of governing instruments, a section for Material Changes, and a list of Related Standards (I.A through I.IF.7). A 'Key Elements' section lists six items related to governing instruments. On the right side, there are links to Reconfirmation, Coversheets, and Sample Documents.

Technical Assistance

Field-wide webinar series

- Confirm your compliance
- Reconfirm your compliance
- Avoiding common pitfalls

Webinars will be offered in partnership with **Regional and Community Foundation Associations**



Fee and Payment Options

Payment Options

Confirmation

Plan 1: Total = \$2,000

- Declare intent to comply, deposit \$300
- Ship completed record binder with balance \$1,700

Amortized cost: \$400/year

Plan 2: Total = \$2,100

- Declare intent to comply, deposit \$300
- Ship completed record binder with additional \$900
- Be confirmed in compliance (6-12 months later), pay balance \$900

Amortized cost: \$420/year

Payment Options

Confirmation

Plan 1: Total = \$2,000

- Declare intent to comply, deposit \$300
- Ship completed record binder with balance \$1,700

Amortized cost: \$400/year

Plan 2: Total = \$2,100

- Declare intent to comply, deposit \$300
- Ship completed record binder with additional \$900
- Be confirmed in compliance (6-12 months later), pay balance \$900

Amortized cost: \$420/year

Reconfirmation

Plan 1: Total = \$1,800

- Declare intent to comply, deposit \$300
- Ship completed record binder with balance \$1,500

Amortized cost: \$360/year

Plan 2: Total = \$1,900

- Declare intent to comply, deposit \$300
- Ship completed record binder with additional \$800
- Be reconfirmed in compliance (6-12 months later), pay balance \$800

Amortized cost: \$380/year

Confirmation Process

Nationals Standards Process

initiate



1. Declare our intent to comply
2. Receive an invitation to submit

Nationals Standards Process

implement



3. Work with website
4. Assemble core documents
5. Gather, review, approve
6. Build our record binder

Nationals Standards Process



7. Submit the application and binder

8. Await review process

9. Receive notice of compliance

Nationals Standards Process

maintain



- 10. Promote our compliance
- 11. Uphold Standards
- 12. Reconfirm after five years

Reconfirmation Process

National Standards Process

Satisfy all new National Standards

Show evidence of meeting
Pension Protection Act requirements

Include all **required core materials**
(such as IRS Form 990 and Annual Report)

Submit **materials reflecting changes**
since first being confirmed in compliance

Submit a **board resolution** confirming accuracy
of all unchanged items from last binder

Nationals Standards Process

initiate



1. Receive invitation to submit
2. Send statement of agreement

Nationals Standards Process

implement



3. Review website and original compliance evidence
4. Identify reconfirmation requirements
5. Gather, review, approve core documents
6. Build our record binder

Nationals Standards Process



7. Approve a board resolution
8. Submit the application and binder
9. Receive notice of compliance

Nationals Standards Process

maintain



- 10. Promote our compliance
- 11. Uphold Standards
- 12. Reconfirm after five years

Next Steps

Next Steps

- Review statement of agreement
- Participate in webinars
- Provide status updates and get approvals

Your Questions?

Thank you



A special thank you to...

Florida Philanthropic Network

Minnesota Council on Foundations

Grantmakers Forum of New York

League of California Community Foundations

Southeastern Council of Foundations

South Carolina Community Foundations

Conference of Southwest Foundations

Iowa Council of Foundations

The Association of Baltimore Area Grantmakers

Indiana Grantmakers Alliance

Donors Forum of Wisconsin

Donors Forum

Ohio Grantmakers Forum

Connecticut Council for Philanthropy

Council of Michigan Foundations

Council on Foundations

Midwest Community Foundations' Ventures

This presentation made possible...

**By generous funding from the Council on Foundations
Community Foundations Leadership Team Idea Lab
and Charles Stewart Mott Foundation through
Midwest Community Foundations' Ventures**