



## **CONCEPT OUTLINE**

### **The SLV Civic Sector Context**

The SLV's Civic Sector comprises approximately 200 grassroots and nonprofit organizations, 37,400 individual donors, and nearly 14,455 individual volunteers. Collectively, these tens of thousands of stakeholders in their various roles touch the lives of nearly every resident and visitor of the SLV. As in other jurisdictions around the world, the San Luis Valley's Civic Sector drives the innovation and delivery of social mission-driven solutions to address the region's most pressing social and economic challenges by filling the gap between the government and private sectors, thereby building a stronger overall community.

### **The Need**

The San Luis Valley's Civic Sector faces a number of challenges that prevent it from achieving its full potential. A particular challenge that constrains the efficient flow of resources to effective organizations is the fragmentation of the nonprofit and donor landscapes: e.g., half of nonprofits have an annual budget of less than \$25,000, 60% of household donors contribute less than \$500, and large donors exhibiting wide variations in giving practices.<sup>1</sup> As a result, small and large nonprofit organizations are challenged in securing financial and human resources to reach the next level and to sustain their critical activities.

### **A Proven Solution - Community Foundations**

Community Foundations serve as a central platform to build a community by tapping into resources and channeling them towards areas to achieve maximum impact, effectively bringing multiple stakeholder groups together to address common priority issues. Nearly 1400 (and growing) community foundations exist in the United States.

### **A Community Foundation for the San Luis Valley**

The SLV as a region meets many of the required criteria to be an environment conducive to developing a community foundation. Based on successful examples in other communities, a SLV-based community foundation has the potential to:

- Tap into significant, but currently latent, sources of philanthropic funding
- Pool diverse funds for greater impact
- Significantly reduce costs of philanthropic administration across the sector

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<sup>1</sup> "Understanding Giving: Beliefs and Behaviors of Colorado's Donors" Colorado Nonprofit Association 2014 Report

## **APPENDIX C**

### **Concept Paper**

#### **Resources**

The Community Foundation of the SLV will provide a tangible means to tap many significant sources of philanthropic funding—including residents, businesses, foundations, community organizations, government, nonprofits and even visitors—via a range of vehicles including donor-advised funds, bequests, planned giving, voluntary donations, etc. Some communities have successfully implemented an innovative vehicle that adds a voluntary \$1 contribution to each night's stay for visitors staying at participating hotel partners or eating at a partner restaurant. Including a range of giving levels would allow all individuals to be a part of the foundation.

#### **Funding and Grant-Making**

A critical factor supporting the Community Foundation of the SLV's potential to acquire significant resources is a clear grant-making focus on common, high priority community issues. Based on clearly established funding criteria, funding can support any number of organizations, community projects, and collaborations via consistent operating support, capacity-building support, seed funding for innovative solutions, scholarships, etc. The grant-making process would be supported via any variety of fund structures including funds that are advised by donors, funds that are focused on specific social issues, etc.

#### **Organizational Structure**

The Community Foundation of the SLV would be structured around a diverse, representative, and collaborative board of directors and core team. The board of directors would provide high-level oversight to grant-making and support the acquisition of resources. The core team would primarily comprise at least one contract or staff investment manager and staff resources to handle functions including day-to-day management, marketing, and administration.

#### **Process to Develop the Community Foundation of the SLV**

Forming the Community Foundation of the SLV would involve an approximately 9 to 12 month process that involves several major steps:

- Research regulatory guidelines
- Develop a mission statement, long-term goals, and strategy
- Define grant-making guidelines and process
- Develop governance, administration, grant/program management systems, by-laws
- Recruit board of directors
- Conduct initial marketing
- Secure lead contributions
- Set longer-term fund-raising strategies
- Launch

In order to be successful, the process would require the participation of community leaders and would need to secure buy-in from all major stakeholder groups. Major external resources to support the process include the Council on Foundations and other communities with experience forming a community foundation.