

PROGRAM TO CREATE COMMUNITY FOUNDATIONS

J.A. Wedum Foundation

We, the J. A. Wedum Foundation, believe that a community foundation can significantly benefit a community and enhance community life. We have concluded that helping a community to create its own community foundation is an excellent way for our foundation to fulfill our mission “to positively change and improve people’s lives in the spirit of stewardship and generosity” of our founders, with a modest investment of money and effort.

Therefore, we have initiated a program to assist smaller cities (perhaps including surrounding areas) in Minnesota to create their own community foundations. These foundations will be independent Minnesota non-profit corporations which will obtain charitable status as Section 501(c)(3) tax-exempt entities to which donations are tax-deductible.

We will provide the following support to a community which decides to participate in this program by creating its own community foundation:

We will pay the legal and organizational costs of creating the non-profit corporation and applying for 501(c)(3) status, with our attorney doing this work with community input.

We will make a \$10,000 matching gift to the new community foundation when it has raised its initial goal of an agreed-upon amount of cash and pledges. We will be flexible in setting the initial goal by mutual agreement, understanding that cities are different from each other in population, economic circumstances, culture, leadership, and in other ways. The initial goal should be significant enough so that the foundation will be viable and credible in the community, and we have suggested that the initial goal for a community of several thousand people should be at least \$40,000 so that the new foundation starts out with at least \$50,000 (including our \$10,000 gift), but we are open to a proposal for a lower initial goal for a smaller community which more fairly reflects its population or financial capacity. If the initial goal is significantly lower, we may reduce the matching gifts described in this paragraph 2 and in paragraph 5 in reaching agreement.

When the new foundation has selected an accountant, preferably one who has experience with non-profits, to assist with accounting and compliance matters, we will make a one-time grant up to \$2,000 for first year accountant fees.

We will advise, assist, and encourage community leaders as they organize, create, and begin operating their new foundation.

When the new foundation has earned the \$10,000 matching gift described in paragraph 2, we will also make matching gifts of up to \$2,500 per year for four years, for a total of up to \$10,000, to be used for current purposes, that is, for current programs and projects rather than endowment, in order to enable the foundation to have a greater immediate impact by expending these amounts each year, provided that the new foundation expends at least as much in each year from its current gifts and endowment income.

In addition, at such time as the principal balance in the new community foundation’s endowment fund has reached a value of \$100,000, then we will grant another \$10,000 to be added to endowment,

provided that such principal balance has been reached within five years of the date of incorporation of the community foundation.

Each community is responsible for assembling a small group of leaders who are capable and motivated, who will accept responsibility to lead and develop this new charitable foundation, and who will, along with others, raise the necessary funds to begin this adventure. When we see that such leadership is in place, and that there is agreement on proper organization, we will begin the legal process at our expense.

We reserve the right to decide how many of such start-up foundations we will support with our funding, in each year or in total. We also reserve the right to decide in our sole discretion which communities will be selected for this program and whether our conditions that must be satisfied for this support to be received have been satisfied.

We are a charitable foundation. We seek neither control nor anything in return. We do hope to receive a status report from time to time, perhaps annually, so we can enjoy sharing the progress and learn how we might do better as we create new community foundations.

While we intend to focus on creating independent community foundations, for various reasons, we may be willing to support a community which decides to create a community fund at one of the regional "Initiative Foundations" created by the McKnight Foundation, the Minnesota Foundation, or other larger foundation, which would be similar to a donor-designated fund created by an individual.

To better understand the reasons why a community should have a community foundation, and how it functions, please refer to an essay by one of our foundation trustees which can be found at our website, www.wedumfoundation.org, entitled "Why Should a Community Have a Community Foundation?". This website also provides information about the J. A. Wedum Foundation and its mission.

Our philosophy is to work hard, do good, and have fun. We believe this program gives us the opportunity to do that.