

## Supporting Education Through Community Foundations

*Donors with a passionate interest in education often work with a community foundation to support local students and teachers. Through grant programs and scholarship funds, donors can help students achieve their educational goals.*

Joseph Hurlimann, a Private Wealth Advisor with the Lincoln Financial Group in Rochester, N.Y., recently worked with a client to create a comprehensive financial plan that would determine how much money the client could gift to charity without adversely affecting his retirement plans. The client, a recently retired schoolteacher, sought to create a scholarship assisting inner-city high school students who could otherwise not afford to attend college. The client identified a series of criteria directing the distribution of the award, including objective measures like a minimum GPA and such subjective measures as the requirement that students exhibit a demonstrable desire to attend college and have a strong work ethic.

Because of the complexity of the criteria, “we needed a management vehicle to carry out his wishes,” Hurlimann says. In such instances, clients often name a corporation or bank as trustee to administer the scholarship. But, says Hurlimann, “They don’t have that niche expertise in working with college scholarships. They are also more expensive. The trust is the most widely used vehicle for managing such things, but it is in many ways overkill.”

Though Hurlimann had never before worked with such an organization, he approached the Rochester Area Community Foundation. A face-to-face discussion of the donor’s intent and the foundation’s capabilities to administer the grant left Hurlimann suitably impressed. By the second meeting, the Rochester Area Community Foundation was well on its way to helping Hurlimann’s client realize his goal.

### **Establishing Criteria for Educational Grants**

Creating sound guidelines for scholarship funds often proves more difficult than many donors, financial advisors, or trust administrators anticipate. Guidelines must be clearly defined but also flexible, a requirement too often ignored by those who set up trusts that fund scholarships. Efforts to write specificity into a scholarship in the long run may frustrate the donor’s intent, an unintended consequence resulting from unforeseen changes to criteria presumed to be static.

“If a donor indicates several different criteria he or she desires in awarding a grant—such as that the recipient must live in the district for a minimum of 10 years, attend a specific high school, maintain a 3.0 GPA—and if any one of those criteria changes, such as the school is incorporated into another school or it goes to a no-grade formulation, it may no longer be possible to adhere to the original donor intentions,” observes Bonita W. Wallace, Vice President of Donor Services for the Rochester Area Community Foundation.

To obviate such situations, Wallace suggests that financial advisors and trust administrators get in touch with—and encourage donors to communicate openly with—a community foundation before drafting grant criteria. “Our goal is to gain an understanding of the reasons and values behind the suggested criteria before the establishment of the scholarship,” says Wallace. “That way, we can help guide them through the process of choosing initial criteria that ensure the appropriate selection of recipients over time.”

This process helps to ensure that changes do not lead to misinterpretations about the donor’s actual intent. In the event that the scholarship cannot be administered as initially formulated, community foundations, equipped with variance power, work to alter the terms of the scholarships while displaying sensitivity to the donor’s original intent. In this fashion, community foundations function both as repositories of knowledge about local conditions and a resource that can sustain innovative community-driven projects.

### **Case Study: Innovative Educational Solutions**

Teachers at one Grand Rapids, Mich., elementary school observed that second- and third-grade students’ anxieties about math and reading did not reflect basic aptitude, but instead originated with their parents. The teachers of these classrooms set out to build an interactive program engaging both children and parents, only to face an increasingly common obstacle: shrinking school budgets.

Once, this proposed project might have been abandoned to the dustbin of history. Instead, the teachers of these classrooms secured funding that targets innovative educational solutions from the Grand Rapids Community Foundation. Working closely with the foundation, these teachers established the “Take Home Classroom.” As a part of this program, teachers regularly distribute DVDs to parents documenting their children interacting with teachers throughout the course of the day.

“The goal is to create a stronger bond between the parent, child, and school as parents view their child involved in positive learning experiences and increase their knowledge of what happens daily in their child’s classroom,” says Ruth E. Bishop, Education Program Officer for the Grand Rapids Community Foundation.

### **Expanding the Scope of Education Funding**

The award used to fund the “Take Home Classroom” emerged from a grant program started by the Grand Rapids Community Foundation to assist teachers in furthering their professional development. Recipients of the grant, however, indicated that the school district already funded professional development. Instead, they asked the Grand Rapids Community Foundation to channel the awards into much-needed classroom programming.

The Grand Rapids Community Foundation altered the program according to the suggestions of these local schoolteachers, establishing grants to support educational

programs for individual classrooms, grade levels, and entire schools. Recently, the Grand Rapids Community Foundation expanded the program further to allow students to submit proposals for their classrooms.

### **Serving Community Needs**

Community foundations routinely provide financial support for scholarship funds and educational programs that are developed locally and tailored to the concerns of a specific school, grade level, or classroom. Sensitivity to donor intent, responsiveness to community needs, and a creative approach to grant-making allow community foundations to deliver on their commitment to fund well-conceived educational programming and scholarships.

*Thomas Asher is a freelance writer based in San Francisco, CA. Copyright 2006 Community Foundations of America. Used with Permission.*