

Discover the benefits of working with the Community Foundation of Nova Scotia

Many organizations and prospective philanthropists want to establish a foundation, but find the complexity of the set-up, ongoing governance, and reporting duties too onerous. Rather than hiring a lawyer, drafting by-laws or trust deeds, all you need to do to set up a Fund with the Community Foundation and we do the rest.

If you opt for an independent foundation registered directly with the Canada Revenue Agency, you must establish a trust or a not-for-profit corporation and then apply to be registered as a charity. In addition to the legal costs, this process may take up to two years to complete. A separate Board of Directors must be established and the meeting minutes, board resolutions, policies must be established and recorded.

To consider	Endowment Fund within CFNS	Independent Foundation
<i>Background</i>	Endowment Funds can be created within the Community Foundation to support specific charities or causes serving Nova Scotia as a whole (i.e. health, food security) or particular communities (e.g., the Annapolis Royal Historic Gardens Fund, the Glace Bay Community Fund).	There are more than 5,000 active private and public foundations in Canada.
ADMINISTRATIVE REQUIREMENTS		
<i>Start-up costs</i>	None. The endowment fund becomes part of the Community Foundation of Nova Scotia, making it unnecessary to obtain separate legal and charitable status.	Legal and accounting expenses to incorporate underlying legal entity and obtain registered charitable status (upwards of \$2,500 - \$5,000).
<i>Timing</i>	An endowed fund can be created in a few weeks.	Non-profit incorporation typically takes 6-8 weeks; obtaining registered charitable status can take up to two years.
<i>Minimum contribution</i>	Recommended minimum of \$25,000 which can be achieved with several deposits over a period of time.	No mandated minimum.
<i>Ongoing costs</i>	Administration Fees of 1.75% - 2% which covers: <ul style="list-style-type: none"> All tax receipting and reporting All Investment Management fees Assistance with marketing, fund development, community leadership, and grant-making Directors' and Officers' Liability Insurance 	<ul style="list-style-type: none"> Investment fees vary from 1.5% - 2.5%+ Annual fees to maintain incorporation (~\$100 - \$500) Directors' and Officers' Liability Insurance (\$1,000- \$3,000) Annual accounting fees (~\$5,000+) Administrative costs (for tax receipting and reporting, marketing, fund development, etc.)
<i>Reporting</i>	The Community Foundation handles all reporting and donors can remain anonymous.	Foundation would need to do its own annual reporting (one with respect to its provincial or federal incorporation and the other with respect to its charitable status). Foundation directors, financial activity, and holdings are available publicly.
<i>Governance</i>	The Community Foundation is governed by an arm's length volunteer Board of Directors comprised of a cross section of community leaders from across the province.	Board membership varies.
INVESTMENT MANAGEMENT		
<i>Investment Policy</i>	Community Foundation Board sets the Investment Policy.	Directors set the investment policy.
<i>Monitoring & managing investment</i>	Community Foundation Investment Committee made up of volunteer investment and finance professionals recommend the hiring of investment managers and monitor their performance.	Directors manage the funds directly or hire professional investment managers and monitor their performance.
<i>Tax Status</i>	Registered charity - Public foundation.	Registered charity - Public foundation.