



GIFT VII

APPLICATION GUIDELINES

Matching Fund Grants

OCTOBER 2018

In 1990, Lilly Endowment launched the Giving Indiana Funds for Tomorrow (GIFT) initiative to help establish and develop community foundations throughout Indiana. The Endowment hoped that Indiana's community foundations could enhance the quality of life in their communities by convening conversations among people of diverse ages, socioeconomic backgrounds, occupations, races and cultural traditions about their communities' most compelling needs and opportunities as well as the best ways to address them.

Looking back on 28 years of GIFT, the Endowment has been pleased with the efforts of community foundations to establish themselves as trusted and valued institutions within their respective communities. When GIFT began, there were fewer than 12 community foundations in the state. Today, a community foundation or affiliate fund (both hereafter referred to as a community foundation) serves every county in Indiana, and combined community foundation assets have grown from \$100 million in 1990 to nearly \$3.6 billion as of the end of 2017. At the same time, community foundations have made considerable progress in developing operational and programmatic competencies, organizational sustainability, and substantive relationships with community stakeholders.

To further the Endowment's efforts to promote sustainable and effective community foundations throughout Indiana, the Endowment is pleased to offer GIFT Phase VII. As part of GIFT VII, the Endowment has allocated up to \$76.1 million to support community foundations' asset building and charitable activities and also to encourage community foundation board engagement. In addition to this allocation, the Endowment has allocated up to \$48.9 million to support community foundations' leadership efforts to address local challenges and opportunities.

Matching Fund Grants

In GIFT VII, each viable Indiana community foundation will be eligible to apply for a matching fund grant in an amount dependent on the population of its county according to STATS Indiana's 2017 population estimates. Under GIFT VI matching guidelines, the Endowment stipulated that any matching requirement not satisfactorily met by a community foundation would result in a reduction of funding in the amount of the unmet match for future GIFT phases. Accordingly, each community foundation that did not fulfill its matching requirement under GIFT VI will have its GIFT VII matching fund grant reduced by the amount of the respective unmet GIFT VI match.

The Endowment has allocated \$66.9 million for matching fund grants. Grant amounts for which community foundations are eligible will be based on county size as follows (reduced by unmet GIFT VI matches):

Up to 50,000 population (65 counties)	\$500,000
50,001 - 150,000 population (16 counties)	\$1,000,000
150,001 - 300,000 population (7 counties)	\$1,500,000
300,001 - 400,000 population (2 counties)	\$2,000,000
400,001 - 500,000 population (1 county)	\$2,500,000
Above 500,000 (1 county)	\$4,000,000

The strategic emphasis of this component of GIFT VII is to support the continued growth of unrestricted endowment assets, which can be strategically and flexibly deployed by community foundations. Although these resources are essential for community foundations to be long-term contributors and leaders in their communities, the Endowment recognizes that they have become increasingly difficult to raise. However, the Endowment recognizes that funds placed in endowments are not available to address immediate operational or community needs. As the Endowment helps support community foundations build enduring strength, it understands the importance of having readily available funds for immediate use. Accordingly, GIFT VII includes two matching fund grant options for community foundations: 1.) Unrestricted Endowment Building option; and 2.) Community Foundation Discretionary option.

- 1. Unrestricted Endowment Building Option:** Each community foundation must designate between two-thirds and 100% of its eligible matching fund grant for the Unrestricted Endowment Building option. The amount not used for Unrestricted Endowment Building, if any, may be used for the Community Foundation Discretionary (CFD) option described below. The matching funds raised for the Unrestricted Endowment Building option must be placed, along with the corresponding matching fund grant from the Endowment, in the community foundation's unrestricted endowment fund. To incentivize unrestricted endowment building, amounts raised by a community foundation under this option will be subject to a \$2(grantor)-for-\$1(grantee) matching condition.

2. **Community Foundation Discretionary Option:** As noted above, a community foundation may choose to designate up to one-third of its eligible matching fund grant for the CFD option. Matching funds raised under the CFD option may be used for any charitable purpose the community foundation chooses, e.g. its own operating needs, community programs or community capital projects. To qualify for a CFD matching fund grant, the community foundation must raise funds for the particular purpose or purposes for which it wants to apply matching funds from its Endowment grant. Funds raised under this option are subject to a \$1(grantor)-for-\$2(grantee) matching condition.

Similar to GIFT VI, matching fund grants will be paid to the community foundations prior to the end of the scheduled matching period regardless of the total matching funds raised as of the date of payment. To the extent a community foundation does not fulfill its matching conditions prior to the end of the matching period, the Endowment will reduce any grant that it might approve in the future for the community foundation by the amount of the shortfall.

All matching fund grants for which community foundations apply will be tentatively scheduled for payment no later than December 31, 2019. The regular deadline for grant applications requesting these funds is January 31, 2019. However, community foundations that submit a matching fund grant application to the Endowment by November 15, 2018, will be eligible for early consideration of their applications, for which grants may be paid in part or whole prior to December 31, 2018, in the discretion of the Endowment. The matching period will begin on October 1, 2018, and end on December 31, 2020.

Qualifying matching funds must consist of contributions of cash or property (e.g., marketable securities, cash equivalents and real property), including the present value of irrevocable deferred gifts (such as charitable remainder trusts) and irrevocable pledges of cash that are required to be paid by December 31, 2022. Qualifying matching funds also include payments received during the GIFT VII matching period on prior pledges executed on dates preceding the commencement of GIFT VII.

Each community foundation will designate in its final matching report how it has allocated its matching fund grant between the Unrestricted Endowment Building and CFD options. An interim matching report will be due from each participating community foundation on or before January 31, 2020. The final matching report will be due on or before January 31, 2021.

Community Foundation Board Engagement Grants

Community foundation board engagement is a critical component in the ability of a community foundation to set its strategic course. Board members play a key role in helping to guide the direction, assess the impact and grow the resources of a community foundation. They bring professional expertise, local knowledge, and personal networks that can help to reinforce the work of the community foundation. To encourage full board engagement in the mission of Indiana's community foundations, the Endowment has allocated \$9.2 million to award unrestricted grants to eligible community foundations with 100% financial support from board members. The Endowment will offer a \$100,000 unrestricted grant to each community foundation that can document a cumulative contribution of at least \$500 paid during the period from January 1, 2019, through June 30, 2020, from each individual who serves on its board or county committee

anytime during the same period. A report from each community foundation must be submitted to the Endowment by July 31, 2020, certifying that each board member made the required \$500 contribution during the required period to receive the \$100,000 incentive payment.

Counties with Multiple Community Foundations

As with all grant opportunities in GIFT VII, for any matching fund or board engagement grants, if more than one foundation serves a particular county, those foundations must collaborate and present a joint application for such grants relating to their county.

Application Procedures

The GIFT VII application form for matching fund grants will be available on the GIFT VII website. Completed applications, with the public support calculation worksheet and any other attachments as required on the application form, should be submitted through the website **on or before November 15, 2018 at 5 p.m. (Eastern time) for early consideration or before January 31, 2019 at 5 p.m. (Eastern time)**. The application will require the submission of an acknowledgement letter signed by both the executive director (or other top staff leader) and board chair of the applicant confirming the grant amount requested and their commitment to participating in GIFT VII's matching fund component.

GIFT VII Eligibility

GIFT VII's eligibility requirements can be found in the resources section of the GIFT VII page of the Endowment's website.

Technical Assistance

As with previous phases of the GIFT initiative, technical assistance relating to GIFT VII will be available through the Indiana Philanthropy Alliance (IPA). Specific questions related to GIFT VII should be directed to Rosemary Dorsa (ext. 114) or Terri Johnson (ext. 128) at IPA (317-630-5200). Additional resources can also be found on the [IPA GIFT technical assistance website](#).