Disruptive change

Change is good. That is the conventional wisdom at least. Then, why is it so hard to effect change? Whether it is the nonprofit community, corporate America or government agencies, implementing new ways of doing business can be difficult at best.

At a recent series of regional forums, the Community Foundation challenged the nonprofit participants to explore “Disruptive Innovation” strategies, a term coined in a Harvard Business Review article.

This is the third year that the Foundation has asked the nonprofit community to share with them the region’s most pressing issues along with new and innovative ways to address them.

“The goal is to find simpler and less costly alternatives for service delivery.”

Given the spike in fuel and food cost in the early fall, basic needs topped the list in most of the regions, North Quabbin, Gardner, Twin Cities and Nashoba.

Once the needs were identified, the participants got to work, brainstorming on new or “disruptive” ways to address the issue.

The authors of the Harvard Business Review article argue that too many organizations are wedded to their current solutions, delivery models, and recipients.

Simply put, developing a “disruptive” strategy is finding a simpler and less costly alternative to the current model. One example is the recent rise of walk-in medical clinics located in drug stores. It is a great way to provide a basic service that is faster, easier and less costly than traditional delivery models such as a hospital or doctor’s office.

In less than twenty minutes of brainstorming, many of the breakout groups generated some great ideas. On addressing hunger, one group suggested that local community gardens be created and have young people and seniors tend the fruits and vegetables. It would provide fresh and healthy food, keep seniors active and connect young people to the environment.

The Foundation will use the information generated at the forums to guide their next round of grant making. The nonprofit community was encouraged to submit grant applications that offered a simpler and less costly alternative for service delivery.

In addition, a series of mini-grants were awarded to select nonprofits at the forum. Gardner CAC, Loaves and Fishes, Orange Food Pantry, Ginny’s Helping Hands and Our Father’s House received Managing for Excellence Awards and grants from the Foundation’s General Endowment.

Community Foundation of North Central Massachusetts’ President Phil Grzewinski presents Managing for Excellence Awards to Jack Wool, Loaves and Fishes.

Establishing a Legacy Fund

Donating charitable gifts in memory of a loved one is a generous way to honor his or her life. But the options for where to give are numerous and the process of selecting recipients can be time-consuming. Helping your client design the best legacy strategy is a process that is about more than making a one-time donation.

If you want to help your client serve the emerging needs of the community for decades, consider working with your local community foundation (CF). “A CF can guarantee a steady flow of giving in memory of your loved one, even as the level of your charitable giving changes over the years,” explains Becky Davis, a development officer with the Community Foundation of Western North Carolina. “This is because the principal is invested in perpetuity and the income supports the projects that serve a client’s interests in the community.”

“Establishing a legacy fund through a CF increases the visibility and broadens the recognition of the person you are memorializing by granting support to a variety of projects throughout the community over time in your loved one’s name, versus being attached to one organization year after year,“ suggests Hans Dekker, president of the Community Foundation of New Jersey.

Advantages of Working With a CF

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"A community foundation knows the needs of the community and which organizations are doing the most effective work,” explains Heather Larkin Eason, executive vice president of the Arkansas Community Foundation. Endowments are meant to last forever — funding projects that support an evolving community — and are managed by community leaders and experts, she explains. For example, rather than fund a local animal shelter with an undetermined future, a donor can create a fund to support the field of animal welfare, which allows the CF to match the donor’s interests to future community needs and services.

A CF offers a variety of fund choices for a memorial gift: donor advised, field of interest, designated, customized or unrestricted funds that the foundation uses to support new or creative projects. “A community foundation does all of the work for the donor,” explains Joe Woosley, CPA of Jordan, Woosley, Crone & Keaton, Ltd. It administers the grants, ensures compliance with IRS regulations, and establishes a fund to support the field of animal welfare, which allows the CF to match the donor’s interests to future community needs and services.

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Giving through a Charitable Gift Annuity allows you to arrange a generous gift to your community, while providing yourself a new income source you can count on for the rest of your life.

How it works

• You make a gift to your community foundation — you can give cash, appreciated stocks, real estate, or other assets.

• We set up a contract with you that combines immediate annuity payments with a deferred charitable gift.

• You receive a stream of income that is fixed, regardless of market conditions.

• You also receive an immediate tax deduction for the charitable portion of your gift.

• Upon your death, we set up a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.

• We handle all the administrative details — issuing annuity payments to you during your lifetime and, afterward, issuing annual grant awards to charities in the name of the fund.

• Your gift can be placed into an endowment that is invested over time.

Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.
A personal legacy of giving a bequest by will

Including a charitable bequest in your will is a simple way to make a lasting gift to your community. When you make this gift through your community foundation, we establish a special fund that benefits the community forever and becomes your personal legacy of giving.

How it works

• You include the community foundation in your will as a bequest; we can help you or your attorney with recommended language.
• You determine the type of fund you would like to establish with your gift.
• Upon your death, we set up a special fund in your name, in the name of your family, or in honor of any person or organization you choose.
• Your charitable gift is excluded from your assets for estate tax purposes.
• Our professional program staff considers your charitable wishes and determines the areas of community need that would be most impacted by grants from your gift.
• Our board issues grants in the name of the fund you establish (if you prefer, grants can be made anonymously).
• We handle all the administrative details.
• Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

“Regardless of their overall net worth, your clients will be pleasantly surprised to discover that they can give substantial help to charities and at the same time enjoy a secure, comfortable retirement.”

Donor Involvement

Recent changes implemented with the Pension Protection Act of 2006 have discouraged donor involvement in grant awards because of IRS concerns of undue influence to benefit family and friends, explains Eason. The changes are meant to keep the grant process competitive so that a scholarship fund, for example, is not awarded to a family member or neighbor’s daughter. However, donors can help define grant objectives, review proposals, help select recipients, and ask for grant reports to evaluate effectiveness of funding, she says.

Coordinating your financial services with the charitable giving expertise of your local CF can help your clients achieve their legacy goals with simplicity and efficiency. In addition, many CFs offer professional seminars about charitable giving regulations, strategies, vehicles, and the use of unique gifts such as real estate. “Community foundations can be the solution resource for professional advisors wrestling with how to create an effective legacy fund for their client,” suggests Phelan, “especially if the client has broad goals and wants the help of a reputable institution to meet them.”

Joanne O’Connell is a freelance writer based in Brooklyn, New York. Copyright 2007, Council on Foundations Used with permission.

PROTECTING THE ENVIRONMENT

• Americans represent less than 5% of world population but consume 25% of world energy
• 1% of earth’s water is available for drinking
• Almost 50% of the world’s forests have vanished in the last century
• 70% of some U.S. habitats have been destroyed or damaged
• Each American accounts for 4.5 pounds of waste per day

Save Energy

Find Energy Star products for your home - Choosing energy-efficient products can save families about 30% ($400 a year) while reducing our emissions of greenhouse gases.

Reducing Air Pollution and Greenhouse Gas Emissions

Use compact florescent lights with energy-efficiency lighting and other energy-efficient appliances. Turn off appliances and lights when you leave the room. Use the microwave to cook small meals. (It uses less power than an oven.)

Conserving Water

A family of four uses 400 gallons of water every day.

Don’t let the water run while shaving or brushing teeth. Take short showers instead of tub baths. Keep drinking water in the refrigerator instead of letting the faucet run until the water is cool.

Reducing, Reusing and Recycling Materials

Practice the three R’s: first reduce how much you use, then reuse what you can, and then recycle the rest.

Reduce:
Buy permanent items instead of disposables.
Buy and use only what you need.
Buy products with less packaging.

Reuse:
Repair items as much as possible.
Use durable coffee mugs.
Use cloth napkins or towels.

Recycle:
Recycle paper, plastic, glass bottles, cardboard, and cans.
Recycle electronics.
Recycle used motor oil.

Source: EPA Website
Leave a Lasting Legacy - Remember the Foundation in your will or estate plan

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Visit www.cfncm.org to learn more about the Community Foundation

The Community Foundation of North Central Massachusetts elected three new trustees and officers at its annual meeting.

John B. Barrett, Law Office of John Barrett, Townsend, MA; Peter K. Hazel; and Henri L. Sans, LeBlanc & Sans, Attorneys, Gardner, were elected trustees to three-year terms ending in 2011.

Deborah C. Phillips, Law Firm of Nickless and Phillips, Fitchburg, MA was elected as chair for a one-year term ending in 2009.

In addition, Richard W. Nobile of Holden, MA, vice chair; Steven L. Stone, Sterilite Corporation, Townsend; treasurer; William E. Aubuchon, III, W.E. Aubuchon Company, Inc., Westminster, MA, clerk; and Philip M. Grzewinski, president and recording secretary, Community Foundation of North Central Massachusetts, Fitchburg, MA.

Foundation to host donor thank you event
The Community Foundation of North Central Massachusetts is hosting its annual donor “Thank You Event”.

June 25, 2009, 5:30 to 7:00
Four Points Sheraton, Leominster, MA

Please RSVP to Courtney at 978-345-8383 or courtney@cfncm.org.

Event Sponsors: Anderson, Bagley & Mayo Insurance; Robert C. Alario, CPA PC; IC Federal Credit Union, Gellinas & Ward LLP; and Huhtala Oil Company.