



Programme and Campaign Funds

Guidelines for Fund Advisors and Frequently Asked Questions

Congratulations!

You have established a programme or campaign fund ("Fund") at the Bermuda Community Foundation and your committee has agreed to use the BCF to hold and administer funds for your specific purpose.

1) What is a programme or campaign fund?

- The BCF serves as a fiscal sponsor to local programmes and projects to support small and/or emerging organisations whose work is innovative and their impact is or could be significant.
- The programme or campaign fund offering is essentially a 'fiscal sponsorship' arrangement between BCF, the establishing fund committee and donors to the fund.
- When a donor makes a gift to your fund, the funds will be further credited to your Fund to enable you to deliver on the goals for which the fund was established.
- This fund arrangement through community foundations is a tried and tested mechanism that is proven to reduce nonprofit infrastructure, ease giving and increase grant-making but the whole community foundation concept is relatively new to Bermuda. However, the first community foundation just turned 100 years old, and there are now more than 1800 of them worldwide.

2) Why is this service an important resource to the nonprofit sector?

- Rather than set up a whole new charity, investment strategy and infrastructure, the fund structure at BCF provides support to unincorporated associations or community groups.
- By serving as a fiscal sponsor, particularly to emerging, marginalized or other community groups that aren't ready to be stand-alone organisations, or to groups whose work does not warrant a stand-alone entity, BCF enables groups to focus on that which they are really passionate -- without having to build out infrastructure that may not be needed.
- At times, it may even make sense for the fiscal sponsorship arrangement to stay in place ad infinitum. The committee's limited time and resources are better spent on their mission and the fees they pay to BCF as a sponsor, are less than what they would have to pay for administrative staff to deal with the complexities that come with being a separate registered charity.
- Please note: Programmes run through a Fund at BCF may not maintain independent bank accounts. BCF signs all vendor agreements, pays bills and issues grants in consultation with or upon the establishing Committee's (referred to as Fund Advisors) recommendation.

3) How do Fund Advisors complete a grant application to a foundation or company?

- To apply for grants from companies or foundations, the Fund representatives complete their own grant applications. Fund representatives should specify that the gift is for further attribution to '*[Name of Fund] Programme at BCF*'. As the fiscal sponsor, the BCF (registered charity #948) should be listed as the recipient grantee.
- Grantseekers should treat their grant applications in every way as if it were its own, for its own project, i.e. use the project's independent history, mission and vision, etc. -- except for the registered charity #, bank account and fund name. In all communications, the programme should be referred to as the '*[Name of Fund] Programme at BCF*'.
- Fund representatives should list themselves as the primary contacts on a grant application. BCF's address and main telephone # should be listed, in care of the [Name of Fund].

4) Is BCF accredited? Is it a member of a nonprofit network or group?

- The BCF is a nonprofit member of the Centre on Philanthropy and by extension, this membership covers its component Funds. However, it must be noted that this type of membership is available to any and all in the community – an individual or a nonprofit need only sign up and pay a nominal fee to access any of the stated benefits, i.e. training.
- The most important indicator of charitable good governance is **accreditation**. BCF is now accredited by the UK CF for Community Foundations. BCF has received QA3 accreditation through the prestigious of Community Foundations United Kingdom, which is an intense and rigorous quality assurance scheme that ensures that its governance and programmes meet global community-foundation best practice standards.

5) How do you generate information on financials? Does the BCF have a business plan?

- Yes, the BCF has a business plan but for the purposes of a fiscally-sponsored Fund of BCF, this is **not** what a prospective funder would be asking for or should be seeking. The funder needs to see the programme's business or strategic plan, if it is available. BCF simply provides the support structure that enables the programme to operate. It receives no benefit from the grant itself.
- The funder may also want to know the **Fund's** budget, not BCF's. Grantseekers should calculate the exact costs of running their programme, considering the costs of running ads and any other expenditures.

6) Financial Reporting

BCF provides a quarterly fund statement to the Fund Advisors of a campaign or programme fund. This statement lists all transactions to the fund, as well as its value as at the preceding month-end. The Fund Advisory Committee is responsible for compiling and preparing all the financial information it needs to make grant requests from funders. BCF is responsible for providing any and all transaction information online, via Donor Central and through the posted fund statements. We can also provide this transaction information in Excel format, upon request.

7) How do folks donate to a Bermuda registered charity or Fund via the Friends of BCF?

- The Friends of BCF is a US registered public 501(c)(3) organisation that facilitates donations from individuals or corporations who pay taxes to the US. The donor (individuals or companies) may donate funds to a Fund at BCF or to a Bermuda registered charity. Through their role as a fiscal sponsor, the Friends of BCF ensures that US taxpayers are able to make tax deductible charitable gifts.
- US Taxpayers may donate to the Friends of BCF by completing a 'Gift Intention Form' ("GIFs" help us tag incoming funds so that we can attribute the donation to the correct recipient) explaining which registered charity or programme fund they would like the Friends of BCF to support. Once the Friends of BCF deems the gift appropriate, the funds are then donated directly to the Bermuda registered charity or to the BCF for further credit to a Fund, less bank and administration fees. The campaign/programme fund or charity receives the donation along with information about who the donation is from so that they may acknowledge the gift appropriately. The Friends of BCF sends a thank you letter to the US Taxpayer, which serves as their tax receipt.

8) When and how are grants to programme funds disbursed?

- All Funds are held and managed at BCF (Bermuda).** Any donations received through the Friends of BCF (US entity) are granted through to the BCF for further credit to the Programme Fund. Committee members/Donor-Advisors can then see all of the gift transactions online. This additional process of transferring gifts from the USA to Bermuda can take up to two more weeks - a cumbersome but necessary process to remain in compliance with US regulations.
- Funds received locally for a programme can typically be distributed monthly. However, large transaction volumes may delay processing for up to two months.
- All bank reconciliations are completed by the 2nd week of the month following the prior month end. For example, for gifts received in April, the reconciliation and payment processing would be completed by the end of the 2nd week of May. The timing is due to the banks settling of the accounts on the last day of the month and the confirmation of transactions being received from the banks, a few days after month-end. BCF then facilitates a communication with the respective Boards to "approve" the grants distributions.
- Consequently, if a transaction is received before the end of any given month, it can take as little as two weeks to turn around; whereas a gift received on the first of any given month, is still processed at the end of the month and released in the following month. If a gift is made via foreign cheque, we have no control over the timing. Foreign cheques can take up to 3 weeks to clear the banks.
- Donations of all payment types (credit card, wire, bank transfer) are assessed a 5% administration fee plus any fees related to foreign currency purchasing tax or cheques
- Regretfully, if an ultimate beneficiary is not a registered charity or established as a BCF Fund, neither Friends of BCF nor BCF may process it.**

Guide to Supporting a Fund at BCF

Step 1	Fund Committees (Fund Advisors) identify, cultivate and solicit a prospective donor		
	Local Donor		US Taxpayer
Step 2	Complete a <u>BCF</u> Gift Intention Form* to recommend a donation be made to the “[Name of Fund] Programme at BCF”		Complete a <u>FBCF</u> Gift Intention Form* to recommend a donation be made to “[Name of Fund] Programme at BCF”
Step 3	Send your donation to Bermuda Community Foundation (BCF, the local registered charity #948)		Send your donation to Friends of Bermuda Community Foundation (Friends of BCF, the U.S. registered public 501(c)(3) organisation, EIN# 38-3938349)
Step 4	The respective Directors of BCF or FBCF receive the gift and consider the request		
Step 5	Donors making gifts online via credit card receive an automatic payment notification	Donors making gifts via letter for wire transfers and cheques*** receive a gift acknowledgement letter	For all payment methods***, Friends BCF acknowledges receipt of the gift and the Directors’ decision, with an official tax receipt/letter
Step 6	N/A		The Directors’ decision is communicated to BCF as the fiscal sponsor for the Fund
Step 7			On behalf of the fund advisors of the Programme Fund at BCF, BCF acknowledges the pending grant, provides its banking information to FBCF, agrees to thank or recognize the donor, and to report on the use of funds
Step 8			Grant Funds are transferred to BCF for further credit to the Programme Fund
Step 9	The gift is credited to the Fund account at BCF Details become available to the Fund Advisors on Donor Central (updated monthly)		
Step 10	Fund Advisors may acknowledge the donors’ gifts, directly (detailed information posted)		

* Individuals, families or groups are required to complete this form for compliance with AML / ATF regulations. Formalised foundations and companies may substitute a letter of intent on their own letterhead. Donors to Funds at BCF may ask a Fund Advisory Committee representative to complete the GIF on their behalf.

**By special arrangement and in compliance with regulations established by the Bermuda Charities Commission, some not-for-profit programmes that privately solicit donations for their work, may use the FBCF or BCF structure. The requesting entity is responsible for verifying compliance with the requisite laws of Bermuda.

***As the world moves online, cheques have become the most expensive and inefficient way to make a donation. Banks charge an additional administrative surcharge on the transaction, which is then assessed on a donor’s gift, regardless of the transaction size. Please help us drive down the costs of processing donations by promoting the use of wire transfers or credit cards.