On January 31, a new kind of giving structure was launched. The first of its kind for the island, the Bermuda Community Foundation (BCF) is an independent grant-making organization set up to create an enduring source of funds forever dedicated to the good of Bermuda.

It raises and invests funds that will support nonprofit organizations, groups and causes in many aspects of community life — such as arts and culture, education, environment, and health and human services.

As it is new and unique, the BCF continues to be a subject of curiosity. The BCF's leadership team has been asked some more questions about it, the responses to which we share here.

1. Won't BCF just add another layer to access to donor funds? Also, given the challenging times for nonprofits, won't available funding be taken up by the BCF as it seeks to build the endowment?

Given its hybrid role as investment manager and grant maker, the community foundation concept was presented to founding donors as a social investment rather than short-term direct charitable support. So far, they've supported BCF for the long-term benefit they believe it will provide. Further, some of this funding support has come from new sources — donors who had no plan of making a gift to charity but like the idea of setting up their own fund.

BCF's operational costs for at least the next two years have been fully subsidized by its founding investors, which minimizes the initial fundraising impact on the sector.

2. How much money will BCF give annually?

BCF is a vehicle to facilitate giving. In the early stages, grant money will be derived from funds set up by donors of all types in the community. Some of these funds are endowed and from some of them, donors make grants immediately. We call those "pass-through" funds.

BCF's spending policy is currently 4 per cent of investment returns annually. If BCF reaches its financial targets, it will distribute $600,000 in 2014 and $1m in 2015. By 2018, we hope to be managing a grant-making programme that distributes $1.5-$2m per year.

3. Will the BCF attract new donors and increase the funds available to the nonprofit sector?

Yes. When BCF was originally being conceived, some focus group participants said that they hadn't made any significant or planned donations for three reasons:

1. They hadn't been asked.
2. There were too many choices and they couldn't figure out who was doing what and how well; they wanted their contributions to be meaningful but couldn't determine how to make that happen.
3. They needed a way to have their giving made easier, deducted from their pay cheques, for example.

Funding trend
It is now BCF’s experience that funding support is coming from new and unexpected places.

People like the idea of building a family legacy of giving, or contributing to a community trust or charitable savings plan, if you like.

We expect this trend to continue, for it is our goal to build a sustainable and enduring resource that supports Bermuda’s nonprofit sector to enable it to continue to carry out its valuable work in the community.

4. Is this up and running now?

BCF is entering into agreements right now with people and institutions that want to open donor funds. Endowed fund contributions are scheduled to be invested in in July, 2014.

The first disbursement of investment returns from these funds will be one year post-investment. In mid-February, the listed donor funds were able to accept contributions from the public online. A full online giving platform will be launched in phases through 2014 with nonprofits and grant makers being able to set up profiles by May 2014, to connect the public with participating nonprofits. This is where grants available through the community foundation will be announced.

Visit us at [www.bermudacommunityfoundation.org](http://www.bermudacommunityfoundation.org) for more information.

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