



Southern Tier West Development Foundation

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CREATIVE COMMUNITIES PROGRAM

What is the Creative Communities Program?

The Creative Communities Program is a program to help communities to establish their own permanent community assets. Assistance comes in the form of a challenge grant from the Southern Tier West Development Foundation to communities that commit themselves to building new permanent endowment. The goal of the Creative Communities Program is to ensure that rural areas have permanent resources to address local challenges and opportunities.

What is a “creative community?”

A creative community is a place with high quality amenities. A creative community is one that celebrates its history, its culture, and its individual identity. Creative communities encourage diversity and exhibit a people first philosophy.

What is community endowment?

Think of it as a permanent savings account where the community determines how and where earnings are distributed. Community endowment is a combination of charitable contributions permanently invested to produce a continuing stream of income. These contributions are invested to produce a maximum rate of return with income used to make grants for activities in the community. Because they are established and supported by local individuals, businesses, and organizations, these community savings accounts become a source of capital to strengthen the community for generations.

How does the Program work?

All contributions successfully secured by the community will be matched dollar-for-dollar by the STWDF up to \$7,500.

It is important to note that contributions to the Endowment are not available for immediate expenditure.

Rather, STWDF will hold and invest the contributions until such time as their value equals or exceeds \$20,000 – after which STWDF will pay out (in the form of grants) up to 5% of the value of the fund each year for projects within the community that benefit the public. Matching funds from the STWDF are awarded after all other contributions/pledges have been secured. When all local funds are securely in place, the community has the option of spending the challenge grant or they can add it to their endowment.

Eligibility:

Participation is limited to existing grantees. Eligible contributions include cash and/or marketable assets. STWDF must receive all gifts within 12 months of the community’s entry into the program. To qualify for the challenge grant, the community must have raised its entire endowment goal. In the event the required amount of is not raised, the challenge grant will not be awarded but all funds contributed will remain as part of the Community Endowment.

Endowment Distributions

As the intent of this program is to create permanent endowment that will grow and serve the community’s needs forever, the principle will be considered a perpetual component fund of the STWDF. Contributions can be added to the Endowment at any time. STWDF will invest the principle along with its other funds to produce a reasonable mix of income and capital appreciation. Distributions will be paid to eligible charitable organizations or other activities that benefit the general public within in community with fees assessed annually according to the current Foundation policy.

Fine Print:

- *Matching funds are granted to communities when the Community Fund is formally established AND after the funds are received by the STWDF.*
- *Gifts into the endowment are irrevocable and subject to the variance power of the STWDF.*
- *All funds in the Community Fund are invested through the commingled fund of the STWDF.*