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HARVEST FOUNDATION FUNDS MARTINSVILLE COMMUNITY FOUNDATION

Group Provides Efficient, Effective Way For Charitable Giving in Martinsville, Henry County

Martinsville, VA -- The Harvest Foundation will provide \$3.5 million to endow a new community foundation serving Martinsville and Henry County. The Foundation also will make an administrative-support grant of \$60,000 to support creation of the community foundation. This grant will be paid over three years. It will enable the community foundation to hire a part-time staff member and help with other operational start-up costs.

Community foundations are a well-established way to aid individuals and groups that wish to contribute to local charitable causes. Donors endow funds that make grants. These funds range in size from a minimum of \$10,000 to millions of dollars. Community foundations hold, administer and invest revenues in these funds and make grants from them. By doing so, these foundations achieve important economies of scale and provide an efficient and effective single resource that many donors can use.

Today, more than 700 community foundations exist across the country. Since 1914, community foundations have helped individuals, corporations, foundations and non-profits efficiently and effectively carry out their philanthropic objectives in their respective home communities.

“The Harvest Foundation is pleased to provide the seed money for a new community foundation serving the Martinsville and Henry County community. This foundation will help many donors who otherwise could not afford to create private foundations or who do not want to handle the administrative requirements associated with them. Most community foundations begin with no money and must spend several years raising funds before donations can be used in a community. By providing a grant of \$3.5 million, we provide a strong base for this initiative and allow the foundation to quickly begin contributing to the quality of life here,” said Douglas I. Payne, President of The Harvest Foundation board.

The new charitable organization will be known as the Martinsville Area Community Foundation (MACF). A local board comprised of residents of Martinsville and Henry County will oversee the Foundation. This Board will decide on how best to use the new community foundation's endowment assets to meet local community needs and will consist of representatives of the donor funds and civic leaders. Initial Board members will include J. Smith Chaney, Jr., W. Dan Prince, III, M.D., Eliza Severt, and Gwendolyn Hermes Smith. The MACF board will be independent of The Harvest Foundation.

MACF has chosen to affiliate with Foundation for Roanoke Valley Inc. (FRV). This allows MACF to begin immediately serving local families, to make grants effectively and efficiently, and to take advantage of long-time, experienced professional staff, best practices and procedures.

While the MACF Board will make the decisions regarding use of funds from MACF, FRV will handle all routine administrative and managerial tasks associated with operating a community foundation. FRV was established in 1988. It currently serves families from Franklin County to Rockbridge County. It administers over 150 endowment funds and makes annual grants to hundreds of non-profits. This affiliate model is used by many communities across the country to bring the benefits community foundations offer to local donors while having a “lead foundation” handle all of the required management, legal and technical issues.

“We are delighted to have Foundation for Roanoke Valley assisting the Martinsville Area Community Foundation with administrative and managerial tasks. This is the most efficient way to create this organization. Foundation for Roanoke Valley has tremendous experience and knowledge that will be placed immediately at the service of the local community foundation. This eliminates a ‘learning curve’ for our new foundation and allows it to get to work quickly,” Payne said.

While most newly organized community foundations start with few if any endowment assets, MACF will begin with approximately \$3.5 million, consisting of seven different funds. This arrangement is possible because of The Harvest Foundation’s support. It is expected that these initial funds will make grants totaling over \$100,000 per year to benefit the citizens in the foundation’s service area. Over time, the foundation will hold and administer dozens of additional endowment funds set up by local families to support Martinsville and Henry County. This will put many new and perpetual resources in place to provide on-going support to non-profit organizations.

The Harvest Foundation was formed in 2002 following the sale of the Memorial Hospital in Martinsville. The foundation oversees an endowment created with proceeds from that transaction. Revenue generated by endowment

investments supports programs that benefit Martinsville and Henry County residents. The mission of The Harvest Foundation is to research and responsibly invest in programs and initiatives to address local challenges in health, education, and welfare. Creation of the Martinsville Area Community Foundation is the latest example of this community stewardship. The Harvest Foundation has provided a total of more than \$22 million to more than 75 organizations since its creation.

EDITOR'S NOTE: For more information on the Foundation for Roanoke Valley or questions about the role and mission of community foundations in general, contact Alan Ronk, Executive Director of FRV at (540) 985-0204