

The Governance Structures of Community Foundations – Country Report BELGIUM

Introduction

The King Baudouin Foundation (KBF) was established in 1976 on the occasion of the 25th Anniversary of the Coronation of King Baudouin. KBF covers most of the specifics of a community foundation, although it works within the whole country and internationally. However, at more local level KBF has developed the idea of establishing regional funds under its umbrella. The idea behind regional funds is that these allow KBF to reach out locally, joining forces with local partners in order to service local donors and build an endowment to respond to community needs in the long run. Whenever local partners express a wish to establish a regional fund under KBF's umbrella, the Foundation looks into these requests on a case by case basis before making a decision. These regional funds can be considered as community foundations, although others more familiar with the U.S. model of community philanthropy might also call them "affiliate funds".

The first, and for the moment only, community foundation in Belgium was established in the region of Central and South West-Flanders ("Midden en Zuid West-Vlaanderen") in May 2001. The region of Central and South West-Flanders comprises the regions of Kortrijk, Roeselare, Tielt and Ieper. Geographically, Flanders is situated in the Northern part of Belgium and Dutch is the official language of the region. KBF is studying the possibility of developing a similar kind of fund in the Southern part of Belgium, French-speaking Wallonia, based on their current experience with a company fund, "Chimay-La Wartoise Foundation", whose features are somehow similar to those of a regional fund, although in this case there is neither no attraction of diversified local donations, nor the long-term vision behind the Flemish fund in terms of endowment building.

The motivation behind community foundations

The establishment of a community foundation in Central and South West-Flanders within KBF is the result of a joint effort between the multinational company Levi Strauss, local leaders and KBF. During 1998 Levi Strauss closed down two factories in Flanders, one in Wervik and the other one in Gits. Both factories were located in Central and South West-Flanders. Levi Strauss made a donation of some 811 218 euros (USD 700 000) to KBF with the wish of creating a development fund for the region.

KBF brought local leaders and Levi Strauss together to think about starting a community foundation. The fund from Levi Strauss was to be considered as an endowment for the community foundation. All parties engaged themselves in setting up the community foundation as a regional fund within KBF. After a successful selection process for a local board, the community foundation was officially registered on the 2nd of May, 2001.

Legal structure

The community foundation was set up as a regional fund for an unlimited period of time within KBF. KBF is legally responsible for the actions and financial agreements made by the community foundation. This means that all the investment and financial policies established within KBF apply also to the community foundation.

The governing bodies of Belgian community foundations

Board

The community foundation is governed by a board comprising a total of 15 members. Each member is appointed for 4 years and can be re-elected for one additional term of 4 years. Each mandate can be finished before its term. A maximum age limit for serving on the board has been established at 70 years of age. Board members are selected for their personal involvement as leaders in the local community. The board is to be representative of the mix of people that exists in the region's society. The board has overall responsibility over the community foundation's operations. The chairperson represents the community foundation vis-à-vis third parties.

Re: Mission and Vision

- Approves and maintains the mission and vision
- Decides on the dissolution of the community foundation

Re: Board Composition

- Suggests new board members, including the chairperson and vice-chair, for approval by the board of directors of KBF

Re: Policy Development

- Makes strategic decisions
- Decides on the budget
- Develops grant programmes
- Deliberates on the grants distributed by the community foundation
- Deliberates on the constitution or the composition of other committees
- Provides for information and public relations
- Informs KBF's board of directors on the development of the community foundation

Re: Implementation

- Ensures the growth of the endowed capital
- Engages in fundraising and public relations

Coordinator

This person works locally for the community foundation and executes the decisions made by the board. The coordinator is primarily responsible for the day-to-day management and administration of the community foundation. The coordinator is chosen by the board of the community foundation and is under contract with KBF.

Representative of the King Baudouin Foundation

As the community foundation is set up as a regional fund within KBF, a KBF representative sits on the board of the community foundation. The role of this person is to make sure that the good name and reputation of KBF is not threatened by the actions and decisions of the community foundation. If necessary, KBF's representative can use his veto-right against decisions made by the community foundation's board. This veto-right allows for decisions to be put on hold for three months during which KBF's board of directors can decide otherwise. This procedure is exceptional.

Board of directors of the King Baudouin Foundation

KBF's board of directors has a supervisory role vis-à-vis the community foundation. In this capacity it appoints and may discharge members of the board of the community foundation, including the chairperson and the vice-chair. Furthermore, it oversees and decides on the management, administration, financial and accounting systems, as well as the investment policies of the community foundation.