

## Foundation looks for 'investors' in latest fundraising initiative

Fri, Mar 24, 2006

By Jeffrey Pieters

The Post-Bulletin

Rochester-area "investors" seeking a special kind of return on their money have another choice.

The Rochester Area Foundation announced a new fundraising tool, the Community Ventures Fund, at its annual meeting on Thursday. Set up to resemble a for-profit mutual fund -- it even has a prospectus and stockholders' certificates -- the foundation's fund sells shares at \$25,000 apiece.

The foundation will hand out the proceeds as part of its regular grant-giving. Contributors whose money is allocated will receive public recognition for their philanthropy.

"One of the things we have failed to do to date is give recognition to the people who have supported our organization," said Al DeBoer, the foundation's development director and a former foundation board trustee. "This is intended to make that connection."

The Community Venture Fund is "cast in the concept of investment because that's exactly what it is," DeBoer said. "We're investing in the future."

The fundraising goal is for pledges totaling \$2.5 million over the next two years, DeBoer said. Contributors, which would include businesses and wealthy individuals, would pledge to pay their \$25,000 shares in up to five equal annual installments. The foundation itself will seed the fund with \$250,000, DeBoer said.

Like shareholders in a private company, shareholders in the foundation's fund would have influence over how their money is spent, DeBoer said.

A first investor has already pledged \$25,000. Rochester businessman Gus Chafoulias is receiving share No. 1 for his donation, DeBoer said.

Some other community foundations have similar fundraising campaigns in swing, DeBoer said, but none drawn to resemble so closely the model of private investing.

"It's intended to be a creative way to draw attention to the power of philanthropy," he said.

Unspent money, awaiting its ultimate use, will be held in the foundation's investment portfolio, which delivered annual returns averaging a little more than 16 percent the past three years, said Steve Thornton, the foundation's executive director.

The foundation's net assets grew to nearly \$33.5 million by the end of last year. The foundation gave an average of more than \$3 million per year to local causes over the past five years.

Programs under direct foundation oversight include First Homes, which has completed 774 new, affordable homes in the region since its inception in the late 1990s, and First Steps, a newer program begun to consolidate and improve the region's approach to early-childhood education.

