

## STATE HORSE COUNCIL FOUNDATIONS

The following information is provided by the Indiana Horse Council Foundation and the Indiana Donors Alliance to assist state horse councils in the establishment of a state horse council foundation. For more information contact the Indiana Horse Council Foundation, 225 S. East St., Suite 738, Indianapolis, IN 46202-4042.

### WHAT IS A STATE HORSE COUNCIL FOUNDATION?

A state horse council foundation is a vehicle for people of all means to make a lasting difference in the horse and the horse industry in their state. The central purpose of a horse council foundation is to serve the needs and philanthropic aims of donors who wish to support the horse and horse related activities in their state now and in the future. Horse council foundations do this by providing donors with flexible, efficient, and tax-effective ways to ensure their charitable giving achieves the greatest possible impact. The foundation is a means to build, over time, substantial endowment funds through contributions large and small. Because these contributions are endowed, they are never spent. Instead, they are permanently invested to produce income. The income earned is then used to help meet the charitable needs of the state's horse industry. So gifts to the horse council foundation continue to benefit the horse and horse related activities forever.

A horse council foundation can either conduct programs of its own or it can support new or existing programs of other non-profit organizations and agencies. It can also serve as a neutral convener, bringing diverse disciplines and players together for the good of the entire horse industry.

Donors may set up individual funds, in their own name or the name of a loved one, and have essentially as little or as much control as they wish in determining which charities benefit from the fund. Or, they may choose to contribute to a variety of existing funds, set up to serve particular purposes such as youth, second careers for horses, therapeutic riding and driving, etc.

A horse council foundation is generally established by a state horse council but is governed by its own board of directors. A state horse council foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. All contributions are tax deductible to the maximum amount allowable for gifts to a public charity.

### STATE HORSE COUNCIL FOUNDATION CHARACTERISTICS

A state horse council foundation typically is an organization that holds, invests, and administers a collection of separate funds - usually endowments - established by donors to meet the philanthropic goals of the donors and the charitable needs of the horse and the horse industry being served.

- 1.. Donors contribute money, stock, or other assets, usually to the foundation's permanent endowment. In doing so, the donors can identify a wide variety of charitable causes and needs.
- 2.. Funds are pooled and a governing board oversees investments.
- 3.. The governing board and its distributions or grants committee consists of a representative group of horse industry leaders.
- 4.. State horse council foundations usually do not engage in fund-raising campaigns directed toward attracting large numbers of small contributions rather they focus on personal contact with large donors.

5.. Operating needs are typically satisfied through corporate and business support, board member support, and fund management fees.

6.. Planned gifts and bequests form the primary tool for endowment development. Often attorneys, financial planners and bankers utilize the foundation vehicle to fulfill their client's wishes.

#### WHY SHOULD A STATE HORSE COUNCIL ESTABLISH A FOUNDATION?

1.. A state horse council foundation provides a new source of previously untapped funding for the state horse council's activities.

2.. The foundation operates as a 501(c)(3) allowing the council to operate as a 501(c)(6) without the lobby restrictions and the other reporting requirements that are necessary for 501(c)(3)'s. The 501(c)(3) status allows individual donors the opportunity to deduct their contributions to the maximum amount allowable for gifts to a public charity.

3.. The foundation provides a new source of individuals interested in working to support the horse. The foundation board generally is of interest to different people than the council board, i.e. individuals that are interested in philanthropy more so than other council activities such as horse fairs, etc.

4.. The foundation provides a service to donors as well as recipients. Generally, there is no other vehicle in the state available for donors to leave a living legacy to the horse.

5. The foundation encourages the organization to focus on endowments rather than simple pass through funds to support programs and projects. The foundation should strive to build an endowment so that only the investment income is used to fund projects leaving the capital to remain in perpetuity.

INDIANA HORSE COUNCIL FOUNDATION, INC.

#### STRATEGIC PLAN

##### EXECUTIVE SUMMARY

##### Mission Statement:

The Indiana Horse Council Foundation, Inc. is an Indiana Non-Profit Corporation organized in 1992 to encourage support of and funding for worthwhile charitable, scientific and educational projects benefiting the horse and horse-related activities in Indiana by serving the needs of both donors and recipients.

##### Vision Statement:

The vision of the Indiana Horse Council Foundation Board of Directors is to establish a substantial endowment fund to be utilized in support of the Foundation's Mission.

##### Strategic Initiatives:

a.. Board Development - An active and diverse Board of Directors is key to achieving the Mission and Vision of the Foundation. Once determination of skills, expertise, and competencies needed to further the work of the Board is made, identifying and obtaining people with those skills for Board Members should follow. Policies and procedures for Board operation need to be developed and directors' liability insurance obtained.

b.. Donor Development - In order to reach potential donors, procedures and criteria for donor identification must be established and implemented. Creation of lists of contacts and potential donors will allow the Board to focus fund raising efforts. To reach potential corporate, individual, and public and private agency donors, a clear message of what the Indiana Horse Council Foundation is seeking to accomplish will be developed. Suitable marketing strategies to inform the public through the media, Internet, horse-related activities, speakers' bureaus, public service announcements, and other

promotional products will be utilized. A spokesperson for Board policy and action will be designated.

c.. Finance - The Indiana Horse Council Foundation should pursue diverse private and public funding sources to fund start-up initiatives, develop an investment policy, and develop procedures for planned giving. Collaborative relationships of Indiana Horse groups, corporations, individuals, public and private agencies and the Foundation are important for success.

d.. Grants - In order to most effectively fulfill its philanthropic responsibilities as well as attract donors through grants to worthwhile projects, IHCF must develop granting policies to prioritize need and distribute funds to worthy recipients. Policies and procedures regarding evaluation of requests, anticipation of needs and methods of funds distribution must be developed.

e.. Programs - Critical, high profile programs such as Therapeutic Riding and Driving and Second Careers for Horses which serve the Indiana horse and Indiana Horse Industry must be continued and promoted to encourage donors to support our efforts. The Indiana Horse Council Foundation must encourage the continuation of current programs and development of new proactive programs.

f.. Strategic Planning - Developing, implementing, revising, and communicating a strategic plan is vital to the ongoing success of the Foundation. Once in place, the strategic plan will be reviewed and/or amended as necessary by the Board annually. An historian shall also be appointed to document the formation and development of the Foundation's policies, procedures and progress for future reference.