

Variance Power

One of the attractive features of using the services of the Community Foundation is provision in our Bylaws and in fund agreements which gives our Board of Directors the authority to change a fund's purpose without going through a protracted and expensive process of seeking court permission to do so.

The long passage of time can sometimes cause a charitable purpose to become outdated. For example, a person may have left a large fund to provide for research toward a cure for polio. When a vaccine was discovered, the assets in their well-intentioned fund would go unused.

To avoid the risk of obsolescence, a "variance power" provision is added to all agreements establishing funds with a specific or designated purpose or restricted to a particular field of interest. It states that the fund is subject to the Community Foundation's Articles of Incorporation, Bylaws, and policies including the variance power which allows the Board of Directors of the Community Foundation to modify any restrictions or condition on the distribution of assets for any specified charitable purpose or to specified organizations, if, in their sole judgment, such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Community Foundation.

Fund holders appreciate this feature which assures them that should the purpose, organization, or need specified as the beneficiary of their fund ever ceases to exist or becomes obsolete, their funds will be used for a new purpose as close as possible to the one named in their original fund agreement.