The Association of German Foundations
Dear Readers,

For centuries foundations have made an indispensable contribution to the common good. In the interest of society at large, this tradition of our foundation landscape needs to be preserved and developed further. Since its establishment in 1948, the Association of German Foundations’ work has been devoted to achieving this goal.

By promoting a foundation-friendly atmosphere, whilst at the same time optimising the effectiveness of foundations and improving the legal and tax framework in which they operate, we aim to contribute to a stable, active, free and democratic civil society.

We warmly invite you to acquaint yourself with the Association of German Foundations by reading the following pages!

Dr. Wilhelm Krull  
Chairman of the Board of Directors

Prof. Dr. Hans Fleisch  
Secretary General
Association of German Foundations: The foundations’ voice – an overview

- The Association of German Foundations represents the interests of the German foundations to the public in general, as well as to political and public administration bodies throughout Germany.

- It is the only independent umbrella organisation for foundations of all legal forms in Germany.

- With more than 3,600 members, it is the largest association of foundations in Europe. It consists of foundations, affiliates and foundation administrations representing 3,000 additional foundations.

- The association represents approximately three-quarters of all German foundation assets, amounting to more than EUR 100 billion in total.

- Established in Bavaria in 1948, the Association is the oldest association of foundations in Europe.

- Its head office, the Haus Deutscher Stiftungen (House of German Foundations), is located close to the thankfully now redundant “Checkpoint Charlie” in Berlin – the heart of the German capital.
The Association of German Foundations is a nonprofit making registered association; its administrative bodies comprise a Board of Directors, an Advisory Board and a General Assembly. The members of the Board of Directors and the Advisory Board work on behalf of the association on honorary basis. The composition of various committees set up under the auspices of the board reflects the diversity of the German foundation sector. The Board of Directors and the Advisory Board determine the strategic focus of the association. Their responsibilities include setting and attaining budgets, preparation of the annual financial statement, carrying out of projects having special importance, as well as selecting recipients of various honours which the association awards. In addition, they supervise the general management in Berlin. The head office team of the association comprises some 45 employees, led by Secretary General Prof. Dr. Hans Fleisch. The association is financed through membership fees and donations.

The structure of the Association of German Foundations
The Association of German Foundations is actively involved in several networks, i.e.:

Nationally:

- Bundesnetzwerk Bürgerschaftliches Engagement (National Network for Civil Society)
- Bündnis für Gemeinnützigkeit (an alliance of third sector umbrella organisations and experts)
- Deutsche Gesellschaft für Verbandsmanagement (German Society for Association Management)
- Deutscher Kulturrat (German Cultural Council)
- Deutscher Paritätischer Wohlfahrtsverband (an independent German welfare association)
- Initiative Transparente Zivilgesellschaft (Initiative for a Transparent Civil Society)
- Kulturpolitische Gesellschaft (Association for Cultural Policy)

Internationally:

- DAFNE Donors and Foundations’ Networks in Europe
- European Foundation Centre (EfC)
Acknowledgement via Awards

The accomplishments of donors and foundations are honoured by the Association of German Foundations in its presentation of the following awards:

- **Medal for Outstanding Services to the Foundation Sector**
  This gold medal constitutes one of the two highest distinctions within the German foundation sector. It has been awarded since 1980 and is usually presented by the German President. With this medal the association honours the lifetime achievement of eminent persons in the world of foundations.

- **Deutscher Stifterpreis (German Donors Award)**
  The award, which was established in 1994, is given for a special individual accomplishment in the foundation sector and is meant as an encouragement for continued activities in this field. It honours the establishment of new foundations or exemplary results of current foundations.

- **KOMPASS**
  The Association of German Foundations has awarded the KOMPASS annually since 2006. It distinguishes examples of the successful communication of a foundation which can be regarded as shining example. The award is given in three categories: Overall Presentation, Project Communication/Campaigns and Communication Tools. A special award alternately honours the best annual report and the best website of a foundation.
Deutscher Engagementpreis
(German Prize for Civic Engagement)

In concert with its Partners of the Bündnis für Gemeinnützigkeit (an alliance of third sector umbrella organisations and experts), the Association of German Foundations awards the Deutsche Engagementpreis annually. The award honours projects in the categories of Third Sector Organisations, Politics & Public Administration, Personality and Business. Furthermore there is an Audience Award and a prize for a project dealing with the annual focal point. The main sponsors of the Deutscher Engagementpreis are the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and the Generali Future Fund.

Awards won by the Association of German Foundations

ASSOCIATION OF THE YEAR
2008

GOLDEN APPLE
for excellent PR 2008
Activities and Services

Service and Consultation for Members

Special offers for members
The members of the association are informed about developments in the foundation sector promptly and comprehensively, e.g. by regular letters to members and by its quarterly magazine “StiftungsWelt”. At the Annual General Meeting, foundations can exercise their right to vote and actively contribute to the work of the association. The association promotes mutual exchange, networking and collaboration through a wide range of activities. It has made arrangements with numerous providers for attractive special rates and members benefit from reduced fees for various events, training seminars and publications.

www.stiftungen.org/membership
Consultation
The Association of German Foundations offers its members consultation, especially concerning legal issues. In addition, the advisory service includes matters of communication, strategy, investment, management and cooperation between foundations. Furthermore, the Association of German Foundations provides professional and independent consultation in relation to the formation of foundations.

www.stiftungen.org/service

Networking and Capacity-Building

German Foundation Congress
One of the largest foundation conferences in Europe, the German Foundation Congress takes place annually, usually in May. Attended by more than 1,500 participants, this major three-day event is where founders, foundation staff members and multipliers gather in order to collect knowledge, to network and exchange information and experience. The German Foundation Congress comprises of more than 60 individual events and culminates in the honouring of a founder’s special accomplishments.

www.stiftungen.org/networking

Working groups, discussion groups and forums
Several events provide the opportunity to discuss specific subjects, meet, network and examine possibilities of cooperation. Whether they have an international focus, care about church foundations or deal with environmental or social issues – the working groups of the association reflect the diversity of concerns of German foundations. The discussion groups are venues where experts from various foundation segments meet to examine specific issues more closely. New trends in the world of foundations are presented by the association via forums.

www.stiftungen.org/workinggroups
Guiding Principles of Good Practice for Foundations
The Guiding Principles of Good Practice for Foundations, which were approved by the members in 2006, give charitable foundations a general framework for acting responsibly and effectively. One of the most important principles is that of transparency, according to which the provision of information is an expression of the primary responsibility of any nonprofit organisation towards society. Of special significance is the principle of avoiding conflicts of interest between the legal charitable purposes of the foundation, which cater for the common welfare, and individual private interests.

www.stiftungen.org/principles

Initiative Bürgerstiftungen
(Community Foundations Initiative)
The Initiative Bürgerstiftungen was founded in 2002 by the Association of German Foundations, several large foundations and the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth. It is the independent competence centre focusing on all issues related to community foundations in Germany. The initiative promotes the formation of a nationwide network, the exchange of experience, as well as the concept of community foundations among the public at large. Regional curators advise foundation initiatives locally in ten federal states. More than 200 community foundations carry the quality seal of the Association of German Foundations, which is principally granted for independence and transparency.

www.die-deutschen-buergerstiftungen.de
Deutsche StiftungsAkademie
(German Foundation Academy)

A joint institution of the Association of German Foundations and the Stifterverband für die Deutsche Wissenschaft (joint initiative of German businesses to promote science and higher education), the Deutsche Stiftungs Akademie offers opportunities for continued and advanced education in the foundation sector. The increasing need for professional and qualified staff is served by a focused practice-oriented programme covering the entire range from seminars and workshops to Summer academies and conventions. The central element of these efforts are certification training seminars, where about 60 foundation managers and 25 foundation advisers receive their qualification every year.

@ www.stiftungsakademie.de

Advocacy

Positions

To ensure that foundations will still be able to perform their tasks and effectively pursue their interests in the future, the Association of German Foundations endeavours to constantly improve the general legal framework in foundation law and foundation tax law. In statements, position papers and meetings the association regularly addresses decision-makers in the world of politics and public administration throughout Germany and Europe. The association also contributes its expertise to the committees of the German Bundestag.

@ www.stiftungen.org/association
Parliamentary Advisory Council
In 2007 the Parliamentary Advisory Council of the association was established. The task of the Members of Parliament who are actively involved in the Advisory Council on an honorary basis is to advise the association regarding the pursuit of its statutory purposes, to initiate joint projects for the promotion of the foundation system and of the culture of foundations, and to improve the exchange between key players in the foundation sector and politicians.

www.stiftungen.org/association

Research & Communication

Media and communication
The Association of German Foundations makes a particular point of publicising the positive work of foundations among journalists and other multipliers in order to create an atmosphere that is friendly towards foundations. It offers a wide range of publications: The most com-
Prehensive reference work on the German foundation sector – the Verzeichnis Deutscher Stiftungen (Index of German Foundations) – the magazine “StiftungsWelt”, the “StiftungsReport”, which appears annually, and the book series “StiftungsRatgeber” (practical guides for foundations). www.stiftungen.org is the portal for foundations and the foundation sector. All German foundations can post their own news, dates and jobs. Moreover, foundations can be searched by region and legal purposes with a search engine. A monthly e-mail newsletter publishes news about the world of associations and foundations. The association is also actively involved in social networks such as Facebook, Twitter and XING.

www.stiftungen.org/publications
www.stiftungen.org/press
www.stiftungen.org/socialmedia

Research
With 25,000 datasets, the Database of German Foundations is a crucial basis for researching and documenting the foundation sector in Germany. It is the most important tool for a large number of the association’s activities. As such, the database is constantly updated and expanded. A nationwide survey, which the association conducts every three years, regularly provides up-to-date information about German foundations.

www.stiftungen.org/knowledge
What is a foundation?

In Germany, the term “foundation” has no legal definition. For this reason it does not automatically have a specific form of organisation. However, foundations possess uniform characteristics. A typical foundation has a capital which is permanently devoted to a specific legal purpose — a charitable purpose in particular. The aims which a foundation pursues and the specifics of its legal organisation and structure are determined by the founder in its endowment statutes.

Frequent misconceptions about foundations

MISCONCEPTION NO. 1  
**Founders only wish for one thing: save taxes.**
Wrong! About 96 percent of the foundations in Germany pursue charitable purposes. They promote the public welfare, which is why they are tax-sheltered. Yet it is not primarily the tax advantage that motivates founders but rather the desire to effect change. After all, someone who establishes a charitable foundation parts with some of his fortune irrevocably.

MISCONCEPTION NO. 2  
**The last will:**
Foundations are established by will testaments.
Wrong! Almost 90 percent of all new German foundations in the past 20 years were established during the founder’s lifetime. The majority of founders personally take on an active role in their own foundation. The largest group of founders is more than 60 years old, and an above-average percentage of them have no children.

MISCONCEPTION NO. 3  
**Foundations fill the gaps left by the government.**
Wrong! German foundations spend an estimated EUR 16 to 17 billion on objectives defined in their statute. Con-
The purposes of a foundation are achieved through the returns on the foundation capital. The prototype of a foundation is the foundation with legal capacity under civil law. It is the classic instrument for accomplishing a purpose which is intended to be fulfilled for a long time and which is subject to the Federal Supervisory Board for Foundations. The oldest foundation still in existence is the St. Benedikti Hospital Fund in Lüneburg, which was established in 1127.

www.stiftungen.org/glossary

sequently, foundations can hardly replace government funds. The government satisfies basic needs; foundations provide supplementary impulses or focus on special areas.

MISCONCEPTION NO. 4 | Establishing a foundation is a complicated affair.
Wrong! Becoming a founder is not difficult: After reforms in 1999, 2002 and 2007, Germany is now among the foundation-friendliest countries in all of Europe. The number of new establishments per year is stabilising at a high level. The Association of German Foundations offers independent advice and provides extensive information on the Internet.

MISCONCEPTION NO. 5 | Only millionaires can establish a foundation.
Wrong! Founders can participate in community foundations or collective foundations even with relatively small amounts. On average, the state foundation authorities require a minimum endowment of EUR 50,000 for the establishment of a foundation with legal capacity that can meet a foundation’s purposes through the returns on its capital. A trust foundation can be established with a lesser amount. When having limited available assets it is often best to start out by adopting with the legal structure of a trust foundation under the umbrella of another foundation.