



Lancaster County
*Community
Foundation*

Early History of the Foundation

(Note: much of the information was taken from an undated paper written by David B. Bucher, entitled The Dead Hand and the Lancaster County Foundation)

As a well known and respected attorney in Lancaster County for fifty seven years Martin Harnish was very interested in the effects of time and change in regard to gifts left to charity either through Wills or Trusts. Often conditions made it very difficult or impossible to fulfill the wishes of donors because of changing circumstances.

A classic case in point is that of Benjamin Franklin who, by Will, left 1,000 pounds sterling to the city of Boston, for the encouragement of “worthy apprentice boys”. Over the years, the fund grew to be worth millions and the number of apprentice boys in Boston, as elsewhere, as defined under the terms of Franklin’s Will, shrunk to zero. Notwithstanding this fact, the courts consistently denied distribution of the funds for other purposes until the two hundred year period set by the Will for final distribution of the funds had passed.

The moral of the story is that even a man as wise as Ben Franklin could not possibly foresee that changing times and industrial technology would eliminate forever that which at the time was an economic necessity.

In his legal practice, Mr. Harnish had frequent occasion to talk with people who desired to leave their own estates for charitable purposes which he knew might experience similar circumstances unless the donor made some provision for this possibility.

In 1918 he became aware of the creation of the Cleveland Foundation, a pioneer community trust which had been conceived by a Cleveland attorney, Frederick Harris Goff. In his efforts to insure that charitable bequests not fail, Mr. Goff came up with the mechanism which since that time has been incorporated in over 650 community foundations across the country.

The idea of a community foundation was based on the establishment of a committee of dedicated community leaders who were authorized to effect the distribution of funds held in separate, individual trusts by cooperating Banks and Trust Companies in the community. Among the many characteristics of a community foundation is that it makes possible the receipt of smaller gifts from persons who are charitably inclined.

Martin Harnish, having seen and studied the results of the Cleveland Foundation was determined to inaugurate such a program in Lancaster. Accordingly, he enlisted the support of Mr. M. T. Garvin, then president of the Garvin Store; William H. Hager, president of Hager's department store and the presidents of the various banks in the city of Lancaster. The Lancaster Community Trust was founded at the first formal organizational meeting which was held in room 656 of the old Woolworth Building on April 9, 1924.

Present at this first meeting, were the following persons: Fred L. Homsher of the Lancaster Trust Company; John C. Carter of the Fulton National Bank; E. J. Ryder of the Northern Trust Company; A. F. Witmer of the Union Trust Company; Paris Snyder of the Agricultural Trust Company; E. R. Garvin of the Guaranty Trust Company; H. F. Diffenderfer of the Lancaster County National Bank and Charles F. Hager of the Farmer's Trust Company. These men formed the Trust Committee of the new organization.

Prior to the time of the formal organizational meeting, four members of the distribution committee had been selected. These were, Morris Rosenthal, appointed by the Mayor of Lancaster; William Shand, by the president of the Chamber of Commerce of Lancaster; F. K. Sener, by the President Judge of the Lancaster County Court of Common Pleas and John B. Oblinger, by the President Judge of the Lancaster County Orphan's Court. M. T. Garvin, Martin M. Harnish, Esq., and George B. Willson were also elected to the Distribution Committee.

Mr. Harnish, as the mainspring of the movement, wrote the original articles of incorporation himself, the preamble of which states in part; "...the welfare of mankind urgently demands the encouragement and promotion of trusts for charitable, benevolent and educational purposes in accordance with a plan which shall, (1) meet the changing needs for such trusts with flexibility,

(2) afford an opportunity to persons of wealth and persons of modest means, to make their several gifts or bequests to different trustees of their own selection for such uses and purposes more effective, by providing for distribution to the beneficiaries of such trusts in an aggregate fund, and (3) provide for the selection of such beneficiaries by an impartial and changing committee of persons chosen for their knowledge of the charitable, benevolent and educational needs of the time and to safeguard and provide for the continued security of such gifts.

By tradition, the Director has been the Secretary of the Lancaster Chamber of Commerce. For many years Lester W. Newcomer served in this capacity. He was followed by Gerald L. Malloy, who succeeded Mr. Newcomer as Secretary of the Chamber.

The minutes of July 28, 1928 indicate that the first fund which came into the hands of the Foundation—then known as the Lancaster Community Trust was worth \$13,948.65. This fund had been subscribed by school teachers and students in memory of Dr. Nathan C. Sheaffer, a prominent schoolman in the State, and its purpose was designated as being, “...for the grant of the sum of \$600 annually for advanced study in the field of Education, to a teacher selected by the Pennsylvania State Council of Education”. The Farmer’s Trust Company had the honor of being selected Trustee for the fund which is now administered by the Lancaster County Farmer’s National Bank.

A second bequest from the estate of a Mary N. Musser, of Lancaster, amounting to \$15,471 was adjudicated on October 1, 1931. Mrs. Musser’s Will read in part, “When my residuary estate has been so converted into money, I give and bequeath the same unto the Lancaster Trust Company of Lancaster, Pennsylvania, in Trust, for charitable purposes, the same to be safely invested in good and lawful securities and the net income thereon shall be paid unto the Lancaster Community Trust, Lancaster, Pa., and shall be distributed in accordance with the plan of the said Trust.

In 1933 Lancaster County, like the rest of the country, was in the very depths of the Great Depression and the fortunes of the Lancaster Community Trust were in no better shape than the rest of the economy. The Foundation had no money with which to publicize its activities and

even if it had, the people with money to leave to it were few and far between. Some of the bequests in Trust for the Foundation had shrunk with the general deflation and were worth only a fraction of their former value. The Distribution Committee had very little work to do, for there was very little income to distribute.

The story of Martin E. Harnish as a great leader and philanthropist did not end with his death in 1959, for when Mr. Harnish's Will was adjudicated in June 1960, it was found that he had left an estate of a half million dollars, most of the income from which will eventually go directly to the Foundation.

Under the vigorous leadership of Rengier and Shand, the Distribution Committee, in 1969, succeeded in recruiting 100% of the Lancaster County banks, having trust powers, as participating Trustee Banks. This meant that potential Donors, in practically all Lancaster County communities, could make bequests to The Lancaster County Foundation, using the Trust Departments of their local banks.

The Distribution Committee members emphasized again and again that no bequest was too small for the Foundation to accept, pointing out that many small gifts soon grew into large amounts, the income from which would do the entire Lancaster County community a great deal of good for many years to come.

The Lancaster County Foundation had its origin in April of 1924 by a Resolution and Declaration of Trust in the Lancaster County Courts creating the "Lancaster Community Trust". The Trust document has since been amended four times: In October 1951, the name was changed to "Lancaster County Foundation" to acquire consistent identity with similar organizations in other communities.

In 1977 the duties of the Distributing Committee was changed to conform to the new IRS regulations; In 1981 the Governing Committee was changed from seven to nine members. In 1988 the entire Trust Document was restated.

Our founder, Martin Harnish, would be pleased that more than 40 years after his death, the Lancaster County Foundation continues to make a substantial impact. Born in 1876, he and his wife lived relatively modestly so that his gifts to the foundation would be as large as possible. Mr. Harnish was a member of the Lancaster Bar for 57 years and a founder of the Lancaster Community Chest, a founder of the Lancaster Recreation Association and a president of the Lancaster Chamber of Commerce.

Like many new and untested community projects, the Lancaster Community Trust experienced very discouraging early acceptance and growth. Its first distribution of funds did not occur until 1928, and that was a small grant of \$600.00. In fact, the annual total of grants made did not exceed \$5,000 until 1952, 28 years after its founding.

In 2002 the Lancaster County Foundation became the **Lancaster County Community Foundation** to better reflect our commitment to all Lancaster County communities. It continues its original mission to serve the nonprofit organizations with the permanent administration of funds placed in trust for charitable, educational, or public purposes.

Just as the original founders noted, it is a legally sound plan, which assures perpetual usefulness of charitable gifts and bequests. The community foundation program has been accepted by the courts, attorneys, financial institutions, business and social organizations and individuals as a prudent means of providing continuing sound administration of income from charitable bequests and trust accounts.

The Community Foundation distributes its income as either directed by the donor's wishes, to specific eligible causes or unrestricted, permitting the Foundation the flexibility to respond effectively to changing community needs. In most cases the capital provided by each donor remains undisturbed in perpetuity and the income from unrestricted trusts provides an ethical and timely response to our social, educational, and cultural needs.