

Foundations and endowment funds, being a part of the non-profit sector, have their integral place in the civil sector of the Czech Republic. The main mission of foundations and endowment funds is to achieve public benefit which, under the current legislation, foundations achieve primarily by providing grants to third parties. However, they can only fulfil such purpose if they have a sufficient income. This paper aims to summarise the theoretical and practical possibilities of obtaining financial resources by foundation entities and their classification.

The paper is largely influenced by the recodification of private law; upon the new Civil Code coming into effect on 1 January 2014, there will be a significant liberalisation of the foundation law and the legislation applicable to foundations and endowment funds will be completely transferred to the new legal regulation under the umbrella term "foundation".

The introductory part of the paper summarises the present and future legislation applicable to foundation entities, defines their position in the civil sector, and discusses the historical development that had an impact on the current funding of foundations and endowment funds. The second part of the paper classifies foundation entities by various criteria, since it is primarily the typology of foundations and endowment funds that largely influences the structure of their income. The third and, at the same time, the main part of the paper presents a structured overview of financial resources, foundations and endowment funds, which are primarily divided into internal and external resources; it also deals with fundraising methods. The fourth part deals with the taxation of foundation entities in terms of current and future tax laws because non-profit organisations are often subject to tax benefits and exemptions. The final part discusses the possible development of the foundation sector and its funding opportunities. It deals with the question of public benefit status, tax assignments, and with a proposal of establishing a legal form of European Foundation. It also summarises the current problems associated with foundation and non-profit sector funding and suggests possible theoretical and practical solutions.