

# Building Community

Bulletin #2, September 1992

Foundations

## Grantmaking Consulting Program

Sponsored by the Philanthropic Ventures Foundation

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Funded by the David & Lucile Packard Foundation

This Bulletin offers suggestions regarding the operations of community foundations with emphasis on grantmaking. The comments herein are based on findings from consulting in-depth at over fifty-two community foundations. Twenty of these foundations were visited in the past year with stays up to five days.

Bulletin #1 listed the findings from the visits to those twenty foundations. This Bulletin begins the process of responding to the findings.

## THE APPLICATION PROCEDURE

### A Case Study

### The Rockford Community Trust

The Rockford Community Trust (est. 1985), with assets approaching \$8 million, had a three page fill-in-the-blanks Grant Application, followed by a three page Grant Evaluation Form for people seeking funds from the Trust. There were a total of thirty questions to be answered covering everything from the applicant staff turnover rate to whether or not the agency was handicapped accessible. Out of all this, there were only two lines for "Purpose of Grant Request." In addition, applications were accompanied by a two page Grant Application Procedure sheet.

Is this amount of literature unusual? No. Some community foundations have up to fifteen pages of literature for the applicant; some send the annual report with the application materials.

Is this amount of material necessary? It depends. There is a genuine desire to be fair to the applicant and to obtain as much information as possible in order to be objective. The question is, how much is enough?

A working assumption is that the grant request/application should be able to stand alone, i.e. it furnishes enough information for first cut processing to be done.

Another assumption is that the application process should not "hem in" the applicant; rather, it should facilitate the full funding request idea to come forth. For example, a fill-in-the-blanks form gets the information it asks for (in limited data) but it does not allow or invite the applicant to give the full rich description of the request.

On the other hand, some applicants seem to write more by the pound than by the page. What is the answer for small community foundations with limited staffs?

The suggestion to the Rockford Community Trust was to have a one page Grant Application which would be user friendly, comprehensive, and efficient. (See page 3.)

## **The new grant application form offers the following flexibility:**

- The top half can be clipped and used as the cover sheet for staff writeups and applicant folders.
- When a person contacts the Foundation, just one sheet needs to be sent. It can stand alone.
- The information requested of the applicant is the basic data needed. Further information can be obtained during the interview if necessary.
- The first thing applicants see is that they can call the Foundation to begin with before going any further. In this way, out-of-the-ballpark requests can be discouraged.
- The sheet does not go into foundation philosophy on what the foundation doesn't fund. It is succinct and to the point.
- No deadlines are listed. Applicants can submit when they wish, and staff can schedule according to funds and time available. This is referred to as a "floating deadline" and will be discussed in future bulletins.
- Only one copy of the proposal is requested. If more copies of parts of the proposal are needed, the Foundation makes those copies.
- The description of what the Foundation funds is purposely general in tone and hopefully includes everything in order to invite applicant ideas.
- The sheet does not use the word "problem." It invites people to be positive and creative and offer ideas.

## **When a proposal is received, it is reviewed for one of four choices:**

- a. It is from out of the area and not eligible for consideration. A form postcard is sent saying:  
Dear Friend,  
We have received your request for funds/information. Please be advised that this Foundation only funds in the \_\_\_\_\_ area. Consequently we cannot be of assistance to you.
- b. The proposal is so weak as presented, it is denied by staff. A letter is written and sent immediately. A copy of the letter and the proposal go to the Grants Committee at its next meeting for confirmation. The Committee can over rule the denial if it wishes.
- c. The proposal is eligible for consideration. A postcard is sent stating:  
Dear \_\_\_\_\_,  
We have received your request for funds, and it is scheduled for consideration at our \_\_\_\_\_ meeting. We will be in touch with you if we need further information.
- d. The proposal is eligible and good and is asking for a modest amount. It is funded immediately by the Executive Director with staff discretionary funds.

# Suggested Grant Application Form

Applicants may telephone or submit a Letter of Intent briefly describing the project before submitting a proposal in order to find out if their ideas are potentially fundable by the Trust.

Name of agency: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Name & title of person submitting proposal: \_\_\_\_\_

Amount of funds requested: \_\_\_\_\_

Purpose of grant request: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Has your organization received or been denied a grant in the past by the Trust?

Yes \_\_\_\_\_ No \_\_\_\_\_ Dates: \_\_\_\_\_

The following information is needed in narrative form:

The specific purpose of the funds requested.

The need for the project in the community.

Qualifications of key personnel.

The amount requested.

Detailed copy of how the money would be spent.

A detailed copy of the latest annual operating budget reflecting expenditures and receipts and a statement of assets.

Recent grants received and applications pending.

Names of the Board of Directors, their principal occupations, & ethnicity.

Evidence that this application has the approval of the Board of Directors:

a copy of those Minutes of the Board of Directors meeting.

A copy of the organization's Internal Revenue Service federal tax-exempt letter.

Name, title, phone # of three professionals familiar with the work of your organization.

After these materials are received, you will be contacted for a visit if your application is accepted.

The general policy of the Trust is to make grants for innovative and creative projects, and to programs which are responsive to changing community needs in the areas of health, social service, education and cultural affairs.

Agencies applying for funds should be serving citizens of Winnebago, Boone, Ogle, Stephenson, or Rock counties.

Foundation grants are made two times a year in late May & November. Proposals should be submitted at least six weeks in advance.

# Comments by Community Foundation Executives on Grantmaking Consulting

"You were an excellent facilitator of both our Board retreat and grantmakers meeting and stimulated a lot of new thinking and discussion about discretionary grantmaking, philanthropic venture, investing, etc. You also provided us with an opportunity to intensely focus our attention on our current grantmaking process and brought to the table both the wisdom of years of experience and the clear vision of an outsider." (Marion Kane, President, Maine Community Foundation, Inc.)

"Excellent opportunity for our foundation to look at our grantmaking process and evaluate by comparing with other grantmaking programs.... Our foundation benefitted not only by reviewing our process...but even more by learning about a new grantmaking philosophy: venture philanthropy; funding creative ideas rather than solutions to problems; critical intervention funding and convening/initiating." (Pat Smith, Executive Director, Community Foundation of Western North Carolina)

"We found Bill to be extremely accessible, wise, curious and thoughtful. His insights were right on-target. I liked the fact that Bill looked at "Grantmaking" within the larger context of the Foundation's work and personality profile. He pointed out that good grantmaking can't happen in an office where each staff member is already overloaded and chained to her desk." (Linda Ironside, Greater Triangle Community Foundation, North Carolina)

"At a time when the MACF directors and staff needed vision and energy, Bill descended upon it and showered it with ideas and strategies. He left us with new perspective, new resolve and affirmation that what we are involved in is indeed wonderful and worthy of our time." (Eve Loeb Shearer, Executive Director, Montgomery Area Community Foundation, Alabama)

"Excellent! Bill's input was taken to heart and well-received by our Board. Since his visit, we have revised our grant application and process (simplifying the paperwork) and are in the process of discussing many other changes in our policies (grantmaking and otherwise). (Lucy R. Allen, Executive Director, Saginaw Community Foundation, Michigan)

"Adopting your ideas were important to us as we approach our 44th year. Equally important, however, is the enthusiasm you generated among the staff and the trustees. There's action in Jackson." (Herb Spieler, The Jackson Community Foundation, Michigan)

"You have reinvigorated a Board that was not quite sure of itself, and offered inspiration to an about-to-be discouraged Executive Director. Maybe this time, we really are on our way!" (Kathryn L. Lima, Executive Director, Community Foundation of Cape Cod, Massachusetts)

This Bulletin is one of a series dealing with  
effective grantmaking

What are your thoughts, comments, suggestions  
for running an effective foundation?  
Let us know.

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