

Grantmaking Consulting Program
Sponsored by the Philanthropic Ventures Foundation
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This bulletin is one of a series offering commentary on grantmaking by community foundations. In the past year, in-depth consulting has been done at thirty community foundations with stays up to five days. Participating foundations have assets ranging from under \$5 million to over \$100 million.

Foundation Board/Staff Relations An Element In Good Grantmaking

First, some history. Community foundations for the most part were established by groups of volunteers. Often one of the retired volunteers was chosen to run the fledgling organization on a part time basis. Initially, things were very informal and some foundations went on like this for ten to twenty years.

When a professional staff was hired, more attention was paid to organizational issues; often this became the preoccupation of the staff.

The foundation evolved from a volunteer run organization to a staff run program, and the evolution was often rocky, i.e. "what do we (on the board) do now?"

Before, board members did everything: site visits to applicants, evaluating and reporting on applications, designing all literature for use with the public, investing the funds. For the most part, these are tasks that a staff handles, but sometimes a compromise comes about wherein both board members and staff undertake these tasks.

A case in point is site visits to applicants who are asking for money. This is one of the most popular tasks amongst board members. What usually transpires when a board member visits a grantee is that, if the member gets excited about the applicant (which often happens), the board member becomes a lobbyist for the application before fellow board members; and if the application is denied, the member is disappointed and sometimes angry.

This points to having foundation staff persons do the site visits, which is the case with all community foundations as they grow. Thus, board members revert to setting policy, deciding on grants, and giving oversight to the operations of the foundation - a hard adjustment for those who heretofore ran the operation themselves.

Clearly, whoever is hired, that person is called on to do both jobs, but the skill speciality is either one way or the other.

The background of board members is also relevant. Someone once said that a board member should either be a rich person, someone who knows rich persons, or a worker. It is useful when someone is all three. A major job of a board member is to help the foundation increase its assets.

After consulting at over fifty-two community foundations, this writer looks for two things at a foundation which will indicate its potential for success - a board member (just one) who has passion for the success of the foundation and an executive who has vision and the leadership capacity to realize that vision.

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George Bonham, who is conducting a national study on foundation effectiveness and is writing a book on the subject, states "From my own close-up analyses of foundation trusteeships, one denominator common to even the ablest is the startling lack of trustee knowledge of the operating, internal, aspects of foundation work. As a consequence, when a disaster strikes, trustees are usually the last to have had any foreknowledge of the problem, and are thus ill-prepared to deal with it."

Thus Bonham is grappling with the question of how foundations should be run, i.e. CEO's running their own show but board members having intimate knowledge of operations. He goes on to recommend term limitations for CEO's and program staff (as there are for board members).

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The question to community foundations is "are you ready for success?" In the last two years, almost a dozen well established community foundations have lost their executives in a parting where the negatives are long remembered. Maybe this need not continue. Maybe some of the matrix above got jumbled up. For example, a start up foundation with a sparker/igniter for an executive, as it grows in asset size, finds that the board then wants more administrative skills. Have prior steps been taken for the executive to have specialized training? Does such training exist in the foundation world?

Good philanthropy is the ability to predict and anticipate; good running of a foundation is likewise. The more we try to be aware of the variables in board/staff relations (or identify new ones), the greater the chance for success of a foundation's operation.

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Postscript - It is important to remember that board members and staff members share the goal of having their foundation grow in assets and make outstanding grants.

The relationship between board and staff requires mutual respect, trust, and the willingness to let all parties venture and explore.

What People Say About Grantmaking Consulting

" 'Building Community Foundations' is informative, timely, and just plain terrific. I see that all Committee Heads/Directors and relevant volunteers, which covers 99%, get to see it. It motivates me and subsequently everyone else."

William W. Mathewson, Executive Director, Edmonton Community Foundation.

"The Board Members are very enthused about the progress being made and particularly the enthusiasm you showed for the work. You were an eye opener for everyone."

Ed Nilsen, Board Member, Humboldt Area Foundation

"Our Grants Committee, Board members and the staff all felt that your enthusiasm and your hands-on experiences made the workshops and smaller meetings very effective."

Ruth C. Haviland, Executive Director, Community Foundation for the Fox Valley Region, Inc.

"As usual you are uplifting, enthusiastic, and you give insight to us."

Diane I. Vigil, Office Administrator, The Santa Fe Community Foundation

Foundation personnel wishing to
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