

Building

Community

Bulletin # 12 June 1994

Foundations

Grantmaking Consulting Program

Sponsored by the Philanthropic Ventures Foundation
Bill Somerville, President
Funded by the David & Lucile Packard Foundation

Grantmaking Consulting

Consulting is available to community foundations in Canada and the United States. The cost to foundations with assets below \$8 million is the living expenses of the consultant for the three-day visit. Foundations with assets of \$8 million or more are required to pay the consultant's travel expenses and living expenses. The consultant's time is paid by a grant from the David & Lucile Packard Foundation.

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What is Worth Funding?

Many times during an on-site consulting visit attorneys, Board members, and foundation staff have requested a listing of creative grants that they can refer to, that they can cite in talking with potential donors, and that they can use as models for local grantmaking.

First, a background note. If we were to describe grantmaking to a foreign person, it might go something like this. As a foundation we wait to receive the mail in which there are requests, primarily from strangers, consisting of a few sheets of paper asking for money. Once we get the request, we try to get to know the stranger and we make a judgment on whether or not to give money.

Sounds odd but, in fact, this is the extent of the activities of a large number of foundations. What more could we be doing? We could be taking the initiative in grantmaking. There is nothing in the rules that prohibits foundations from causing things to happen.

Foundation personnel have a unique perspective. They can see the nature of request coming in and consequently they can see what isn't happening. For example, if there are no requests for programs to serve young girls and we are aware that teen pregnancy is of epidemic proportions, then foundation personnel can take the initiative.

Foundations can invite proposals from outstanding professionals; foundations can convene discussion sessions to focus attention on issues; foundations can negotiate with agencies and actually suggest a possible line of action; foundations can sponsor a pilot project to try out a new approach.

Initiated Projects

It is interesting to note that foundation-initiated funding usually is modest in the amount of money involved. Maybe it is that the right money at the right place is where limited funds can have considerable impact.

- **"Insurance" for non profit agencies.** If an agency has an unexpected contingency that threatens its continued existence (fire or theft), the community foundation is ready in two hours to put it back to work. The foundation has set aside \$5,000 and has quietly passed the word of emergency help. The agency merely faxes information, what work it does, what happened (e.g. computers were stolen), what it needs money for (e.g. \$600 to rent computers until its insurance policy can respond). The two-hour delay is getting two of three votes (Foundation executive, Chair of Grants Committee, Chair of the Board) and the applicant can come in for the money.
- **Teacher Buy Your Day Program.** Teachers have very little cross-fertilization, i.e. it isn't possible for them to visit one another at work. Set aside funds and invite principals at particular schools to nominate teachers. The foundation pays for a substitute, mileage for the teacher, lunch, and a \$50 stipend to the host teacher to spend on classroom materials (\$9,000 covered thirty-six elementary schools for a year). One teacher wrote "Thanks, this was my first day off in nine years of teaching." The whole program can be run by a volunteer at the foundation.
- **Portable telephones** are no longer just a luxury. They are vital, especially during emergencies such as earthquakes, hurricanes, floods, etc. With selected agencies that are well established and able to help people in emergencies, offer to pay three-quarters of the cost of a cellular telephone. Businesses use such telephones and so should non-profits.
- **Move-in money for teachers.** Teach America and other programs are bringing new people into teaching. Such persons start at the lowest salary range. They can afford housing but not the various deposits required to move in, i.e. first and last months rent, security and utility deposits. A \$15,000 grant to the school district was used to give no-interest loans to new teachers. Repayment was made through monthly deductions of salary and the fund was available for additional teachers.
- **Educational grants.** As opposed to scholarships which reward good grades, educational grants give support to low-income students whose grades have improved even though the grade point average isn't high. In giving such grants, let the student first work out a financial package with the college, which usually involves a loan, and consider having the grant cancel that loan.

- **Student essays.** How can you find out what young people are thinking? Every high school student must take courses in English and all such classes require essays. You can negotiate with principals so that you can pick the topics of the essays, they are graded and the grades given to the students and the essays are then given to you. You give \$25 awards to the most thoughtful essays and to the teachers from whose classes these came. Topics include "What would you like to do this weekend that isn't now available?" "How do you say 'no' when the pressure is on you to do something you shouldn't?" "What would you do if you won the lottery?" "What would you do differently if you were a parent?"
- **Individual emergencies.** To strengthen the services agencies offer when serving low-income people, consider giving such agencies discretionary money they can use to meet the emergency needs of their clients. \$2,000 at a time with instructions to make it last as long as possible makes this a modest granting program with considerable impact. For example, a lady declares to an agency that her husband is in jail, she can get a waitress job but she doesn't have \$60 for the uniform. The agency can use the fund to help this person become self-sufficient.
- **Educational excursions.** Teachers can apply for \$250 grants to pay for the bus to take a class on an educational field trip. In keeping track of where teachers have gone, one develops a catalog of such trips which can be shared with other teachers.
- **Arts fellowships.** Foundations can publicize with amateur performing companies in music, theatre and dance for them to nominate performers in the 20-35 age bracket who are pre-professional in ability. A selection team of three people, one each for dance, acting and music, selects five finalists for each category and the donor makes the final selections for persons to receive \$5,000 grants to use for additional training. The criteria for selection is performing excellence, financial need (verified by requesting the first page of the IRS Tax Form 1040) and age.
- **Community service fellowships.** For young adults who have finished college and who are willing to return to their communities and commit to a year of community service, the foundation can offer \$20,000 stipends. Such persons would work in city government or the school system and would have a mentor from whom they would receive supervision and with whom they would work out a program for the fellow. Such fellowships should be named after famous persons to give prestige and to honor the process involved. Fellows are allowed to seek other funding up to a total of \$30,000 and are required to give full time to the fellowship.
- **Technical assistance.** Foundations can set aside \$5,000 to be used in small increments to pay for management assistance to non-profit agencies. Examples include a CPA to help an agency set up a new procedure (three hours at a total cost of \$200), a computer expert to appraise the need for new software, a chiropractor to advise on proper height for staff keyboards, display screens, chairs, etc. Agencies can request such assistance or a foundation can offer it. In all cases only a few hundred dollars is involved for such assistance and such grants can be made at the discretion of the foundation executive director.

Comments on the Grantmaking Consulting Program

An evaluation form is given to the Executive Director of a foundation receiving grantmaking consulting. At the Greater Wenatchee Community Foundation (Washington, April 25-27, 1994) the form was copied and given to every member of the Board of Directors for their comments which are partially listed below.

"We were really inspired by the presentations from Bill Somerville. His manner of presentation was excellent . . . some lecture and lots of involvement. I've been through many presentations of this type, and Bill is one of the best."

"Excellent! Very informative and enjoyable."

"Well worthwhile -- challenging ideas -- especially on proactive funding and fundraising."

"Outstanding! Gave me a whole new perspective on the process and goals of philanthropy. Motivating and energizing."

"Splendid! Challenging, conscience engaging, serious, basic. Somerville turned upside down all my thinking on charitable grants; gift getting and use; discretionary giving; becoming proactive as a Board member."

"The Board session was very productive. Time flew. Bill was frank and to the point. Time was well spent. So often consultants work in generalities and seldom hit on the point. Bill made his presentation specific to this group."

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