

Building Community Foundations

Number 16

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Grantmaking Consulting Program

Sponsored by The Philanthropic Ventures Foundation, Bill Somerville, President

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100 FOUNDATIONS LATER Findings From Consulting On Grantmaking

The grantmaking consulting program has been in operation for three years. A consulting visit covers a span of three days and includes a comprehensive review of foundation literature and Board Minutes; meetings with Board Committees such as grants, public relations, development; extended meetings with the foundation executive director, Board chairperson, Grants Committee chairperson; and lastly a meeting with the Board of Directors for a minimum of two hours (extending in some cases to six hours).

In a sense, foundations receive an "audit" of their program. Based on the audit, recommendations are made for consideration by the foundation personnel. The objective is to allow an outsider to assess ones operation and scrutinize it from a new point of view - a point of view developed from visiting over 100 foundations.

A consulting visit involves considerable discussion, presentation, and introspection. Almost without exception this results in new enthusiasm by Board members, new insight and ideas, and new expectations by staff and Board. As much as possible, the goal is to develop clear, precise ideas for change that are doable, practical, and helpful.

Since many of the recommendations for change are the same at different foundations, it might be helpful to share the findings in community foundations operations as many of the shortfalls in operations are the same as well.

- The most surprising finding was the overload of paperwork with which community foundations are struggling. Regardless of size, community foundations, both small and large, are overwhelmed with bureaucratic procedures, forms, multiple copies, all of which are internally generated.

- As a consequence of the above, program staff at community foundations are not getting out of the office. In some cases program staff are out only 10% of the time. Site visits to applicants, to potential applicants, finding outstanding grassroots professionals are vital to a program officers job. Too often, when the program officer is out of the office it is to attend a meeting unrelated to the above.
- Too much staff time is spent on applications which are clearly weak and probably will not get funded. The recommendation here is to create a “not favored by staff” category wherein the application can be denied immediately with no further processing other than to be reported to the Grants Committee which can overrule if it desires.
- Deadlines are enslaving for the foundation staff because they are a guarantee the application will be considered if it is received on time regardless of how much grant money is available. The recommendation is to have a “floating deadline” where when there are more than enough applications for the money available that is the cut off and further applications are scheduled for subsequent grants meeting. When the not favored category is combined with the floating deadline, applications do not tend to pile up with a huge backlog.
- Many foundations require multiple copies of applications, up to 15 copies in some cases. Most foundations deny over 60% of the applications they receive. The mere volumes of paper is overwhelming (in one case the program officer couldn't get to her desk). The recommendation is for one copy; if the application is eligible for consideration, the foundation staff can copy those items necessary for the Grants Committee.
- Many foundations use application blanks, sometime 12 pages long. There are a number of shortcomings to such applications. They are arbitrary in space allotted for answers to questions. Many of the questions asked are either unnecessary, irrelevant, or redundant. Application blanks get the answers to your questions, they don't necessarily get the idea the applicant is proposing. Guidelines for application are more effective and easier to use.
- New community foundations usually start up in whatever space they can get free. Usually this space is too small. Unfortunately, as the foundation grows, the expectation is that the foundation can continue in the same space. This leads to serious problems of inefficiency and productiveness. Often the foundation office is located in a remote location.

- Community foundations tend to have large Boards, up to sixty-five people. The larger the Board, the more committees there are (up to 15) and more staff time is spent nurturing the Board than serving the community. If the purpose of a large Board is to reach potential donors, such persons could be part of a Community Sponsors group but not on the Board. It is interesting to note from reading Board Minutes, large Boards suffer from high absenteeism. An ideal Board size is nine people (which often is the size of the Executive Committee).
- The reporting procedures for foundation committees to their Boards is cumbersome and often results in delays for giving out grants. A Board of Directors can authorize the Grants Committee to act on its behalf. Thus when a grant is approved the staff can disburse funds immediately without waiting for the next Board meeting. The Grants Committee reports to the Board which confirms its actions.
- Community foundations, for the most part are not venturesome in their grantmaking. People seem to wait for the mail, process it and grant. Other dimensions include taking the initiative, negotiating a grant with an agency, causing a new program to happen, convincing people to develop new ideas, willingness to take risks, searching out to find more grassroots professionals. As one such person put it "Find people you can trust and trust them." Fear of failure tends to paralyze dimensional grantmaking.
- Boards of Directors and foundation committees meet more often than is necessary. Frequent meetings use up large amount of staff time and they burn out volunteer members. Interestingly, even though the Board meets monthly, at some foundations, the Grants Committee meets only once or twice a year. The recommendation is for quarterly meetings of the Board and Grants Committee. The less often a Grants Committee meets, the bigger the applicant needs to be because only a large agency can afford to wait six months for a funding decision.
- Community foundations are not utilizing their full potential in terms of versatility, responsiveness, flexibility. In all cases, there should be authority for the Executive Director to be able to make discretionary grants; for small foundations, up to \$500 each; larger foundations have given authority up to \$25,000 each. This becomes the "immediate response fund." Procedures can be implemented which allow the Executive Director to make donor advise grants on a weekly basis thus allowing for quicker response.

* * * * * **To Be Continued** * * * * *

Comments On Grantmaking Consulting

Each foundation is given an evaluation form to appraise the work of the consultant. This form, with the response of a recipient foundation, is duplicated below.

Foundation: Community Foundation of Sarasota County
September 26-28, 1994

What is your frank assessment of the consulting you received?

This was the finest experience our Board has had with an outside consultant. Bill did exactly what we had asked of him: he motivated our Board, he presented the community foundation story to our community, and he gave us ideas on a course to pursue for the near future.

These were his charges and he carried out his responsibilities magnificently.

How was the pace?

Too Fast **OK** ✓

Comment: Although I, as Executive Director, had concerns that the relatively short timespan of the consultation would require Bill to be in too much of a hurry, I found the pace to be just right. We were challenged without being overwhelmed. Even in the few hours in which we did not schedule events, the time was productive.

Do you want more written materials?

Yes ✓ **No**

Comment: Although Bill gave the staff some written materials, a summary of some of his creative grants or other materials about community foundations would have been helpful to our Board and "family."

Was the consultancy relevant to your concerns?

Yes ✓ **No**

Comment: See above.

Did the consultant listen to you?

Yes ✓ **No**

Did you get any new ideas?

Yes ✓ **No**

Comment: We got TONS of new ideas. The problem now is to prioritize all of those ideas into a manageable plan.

Was the critique of your work given in a constructive way?

Yes ✓ **No**

Comment: He told us of our strengths and weaknesses in a very straightforward manner. This part of the visit was very much appreciated.

Additional Comments:

THANK YOU, BILL FOR YOUR PATIENCE, YOUR KINDNESS, AND FOR SHARING YOUR VISION WITH US !!!!! (That message comes from all who were involved in your visit.)

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