

# Building Community Foundation

Bulletin #18

June 1995

## Grantmaking Consulting Program

*Sponsored by:* The Philanthropic Ventures Foundation, Bill Somerville President

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## GRANTMAKING CONSULTING

This bulletin is one of a continuing series on grantmaking topics relating to community foundations. Past issues have covered the application process, what is worth funding, risk taking, board-staff relations, accountability and effectiveness, services to non profits, the site visit, record retention, using technical assistance, funding scholarships, the foundation as convenor, use of volunteers, getting the job done better.

These bulletins are written to be as specific and down to earth as possible. They reflect conclusions drawn from observations at 100 community foundations and they offer recommendations based on these observations.

Community foundations in the United States and Canada are eligible to apply for on-site consulting which consists of a three day visit where an outside person observes, interacts and comments on your operations. Such visits usually develop new insight, enthusiasm, and focus for community foundation boards and staff. For further information call (510) 645-1890.

### NEW SERVICE OFFERED

The grantmaking consulting program is adding a new service by being available to nascent community foundations. The criteria for receiving consulting are:

- *A group of citizens has come together and dedicated itself to establishing a community foundation.*
- *Initial steps have been taken to establish the foundation, e.g. people have read materials on community foundations and/or legal papers have been filed.*

To date, five such foundations have received consulting which basically is how to get started.

## New Lexicon In Philanthropy

As change comes to organized philanthropy so too comes new language to describe the change. Listed below are some relatively new terms and their definitions which relate to the work of community foundations.

- ***Causative Philanthropy*** - Giving out funds in such a manner that new things happen.
- ***Critical Intervention Philanthropy*** - Finding special funding opportunities wherein often a smaller grant can make an impact.
- ***Customized Philanthropy*** - Designing the grant to satisfy the parameters of the donor.
- ***Dimensional Philanthropy*** - Being flexible and not merely waiting for the mail in grantmaking.
- ***Factory Philanthropy*** - A situation wherein the processing of paper becomes the reason d'être of the foundation.
- ***Idea Philanthropy*** - The creative approach; what it is you want to have happen and how to bring it about.
- ***Initiative Philanthropy*** - The funder takes the initiative in finding the grantee.
- ***Negotiated Grant*** - Varying the nature of a request to meet the priorities of the donor.
- ***Problem Philanthropy*** - Justification for a grant in terms of depicting a crisis.
- ***Responsive Philanthropy*** - Good timing, being there when it counts; ability to give an "instant grant."
- ***Safe Philanthropy*** - Funding requests which if you didn't fund, someone else would.
- ***Street Philanthropy*** - Working with people who serve the community directly.
- ***Venture Philanthropy*** - Grantmaking with an element of risk i.e. not knowing the outcome.

## Continuing Grants - Where Do You Stand?

The applicant asks, "If you feel positive about our program, why don't you give us continuing support?" This question is asked over and over again of foundation personnel.

In the same vane, most foundations say they do not give "operating grants." What this means is they don't fund the normal operation of an agency; and yet the applicant says this is exactly the kind of money they need i.e. continuing support. What to do?

In fact, most foundations do fund operating costs. These are included in overhead for a new project, in supervision of a new effort, in all sorts of indirect ways. It becomes a game unfortunately to get such money.

Foundation personnel, for good reason, say they want to be first funder and often use the term "new" in reference to program preference. The rationale here is that foundation money is only 7% of the philanthropic dollar and it should be used to bring about change, not to support ongoing efforts - no matter how worthy. That is what the United Way does, give continuing support.

The counterpoint here is that while foundations often fund to help things get started, the retort to such funding is "You helped in the birth of the project but then you abandoned the infant by not giving continuing support." Is there a responsibility for funders to stay with something at least until it is established?

The reality is that if a community foundation gives continuing support with its limited funds it could do so only with the first group of agencies that applied but forever more it would then have to say "no" to everyone else who came in. Is this fair? Is it realistic? Is it the best use of community foundation money?

Continuing funding support is related to operating support which is what all agencies need. Most Foundations do not see their role as a source of repeat grants to the same entity. Foundations are criticized for this but there are valid reasons for this stance. The compromise seems to lie in foundation willingness to consider multiple year grants to help a program get started as well as giving money in the overhead category which goes to operating costs.

It is interesting to note that some large private foundations are giving long term support. For example, the Hewlett Foundation in California often makes a grant for six years to the same applicant.

## Comments On Grantmaking Consulting

*"I had heard that you were an exciting speaker and that your comments on what could be done with a community foundation and charitable giving would be meaningful to the Board. After hearing you speak, I believe that this assessment understated the importance and impact of what you have to say."*

**Frank J. Rieef III, Board Member  
Community Foundation of Greater Tampa, IN**

*"You have a gift for constructive change. You are very, very skilled in helping people understand problem areas without them taking it "personally."*

**Nancy Clummer, Executive Director  
Noble County Community Foundation**

*"As a new program officer I find your newsletter to be a wonderful source of new and innovative ideas."*

**Lois Schafer, Program Officer  
Central New York Community Foundation, Inc.**

*"I've told you before how highly I respect your work. You do this grantmaking work as well as any in the field, and you are the best at telling the story."*

**Lewis M. Feldstein, President  
New Hampshire Charitable Foundation**

### **TELEPHONE INQUIRY**

Community foundation personnel are invited to call the Philanthropic Ventures Foundation to:

- Make inquiries about possible on-site consulting visits
- ask specific questions on any topic related to community foundations

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