

Building Community Foundations

Bulletin # 20

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Grantmaking Consulting Program

Sponsored by: Philanthropic Ventures Foundation, Bill Somerville - President

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We are pleased to continue the **Building Community Foundations** bulletin series. These bulletins are written from the findings that result from grantmaking consulting to community foundations. Over 100 on site consulting visits have been conducted.

Will Changes In The Business World Bring Changes In The Non Profit Community?

Less than half the work force in the industrial world will be holding conventional full time jobs in organizations by the beginning of the 21st century. These full timers or insiders will be the new minority.

Every year more and more people will be self-employed. Many will work temporary or part-time sometimes because that is the way they want it, sometimes because that is all that is available.

The Department of Labor estimates that by the year 2000 at least 44% of all workers will be in data services - for example, gathering, processing, retrieving, or analyzing information.

Computer power is now 8,000 times less expensive than it was thirty years ago. If we had similar progress in automotive technology, today you could buy a Lexus for about \$2. It would travel at the speed of sound and go about 600 miles on a thimble of gas.

*Quotes taken from "New Work Habits For A Radically Changing World"
Pritchett & Associates, Inc., Dallas, Texas*

Are You Ready For Change?

How can community foundations get lean and mean? How can they become more efficient, more effective, more relevant?

Paper Work - The Bane Of Your Existence

The most surprising finding from visiting over 100 community foundations is that they are inundated in paper work. With large private foundations one finds the same scenario, i.e. being land locked in ones office because there is so much paper work.

There are two assumptions in presenting this article: 1) The role of program officers is best served by getting out of the office at least 50% of the time, not behind the desk all the time; 2) Paperwork can be diminished and there are proven ways to do it. Note: Being out of the office does not mean attending meetings, rather the person is visiting agencies, finding grassroots people who get things done, developing new ways to approach a social issue.

Items for consideration regarding paperwork:

- Spend less time on proposals which will be denied. Ask for an abstract paragraph at the start of a proposal. It takes 7 seconds to read it and right off you can weed out clearly ineligible proposals. Some proposals you need to read further but you can still decide, in a minimum of time, whether they are ineligible. In some cases a trained reader i.e. volunteer, intern, trainee can weed out ineligible proposals.

This process is call “Not Favored By Staff.” The applicant is sent a denial letter; the proposal cover page and denial letter are submitted to the grants committee for confirmation or over ruling.

In foundation work, often as much as 85% of requests are denied. This being so, it makes sense to try to arrive at the denial decision as soon as possible.

- Only require one copy of a proposal. If up to 85% of requests are denied, then 85% of the paper in your office is not relevant, especially if you require multiple copies of proposals (some foundations want 14 copies).

You can afford to copy better then the applicant can and you know what needs to be copied, for example the IRS 501(c)(3) letter does not need to be copied.

The bigger the foundation the less one puts before the Grants Committee. For big foundations, often there is a one page write-up. For smaller foundations, most often, regardless of the size of the proposal, six to ten pages represents the core of the request.

- Use form postcards, two will do the job.

#1: For request for funds or information from agencies outside your area.

Dear Friend,

With regard to your request for information/funds, please be advised that the _____ Foundation only funds in the _____ area. Consequently we cannot be of assistance to you.

Sincerely,

#2: Dear _____,

Your request for funds has been received and is scheduled for our _____ (date) grants meeting. We will be in contact with you if we need further information.

Sincerely,

This card says we received it, its eligible, it has been scheduled, don't nag us. We'll contact you if we need more information. Both cards save time, unnecessary phone calls, and they are to the point and honest.

- Allow phone calls of intent where an applicant can quickly describe something and find out now if its in the ball park. This system assumes that the foundation staff person is experienced, honest, modest, firm, and to the point. If done right, it saves a proposal from coming in which gets denied.

Some foundations have a required letter of intent and then a proposal. Sometimes the required information on the letter of intent is almost equal to a proposal. The reason given for this system is to prevent unnecessary paperwork but in fact it sometimes doubles the work in that the applicant has to apply twice.

A letter of intent is usually three paragraphs: who are you, what are you trying to do, what do you need money for; and then the last sentence states "Is this eligible for consideration by your foundation?"

- Filing materials is not so much putting things away as it is being able to retrieve them. Filing systems tend to evolve at a foundation and grow in an ad hoc manner. Thus, there are as many systems as there are foundations.

It is interesting to note that one of the best persons from whom to learn filing is a reference librarian. These people tend to think generically rather than in the particular, for example: "t" for transportation not "v" for vehicle, "c" for car, or "a" for auto.

In the foundation field people are willing to share their ideas and it is worthwhile to visit other foundations and see how they file.

Concomitant with filing is how long to keep records. Bulletin #9 gave a complete listing of how long to keep records. It appears from observation that foundation personnel tend to keep too many records too long. One foundation had a dedicated room for boxes of dead files, the weight of which, was causing the boxes to collapse on each other.

For example, requests for funds from outside your area (to which are sent postcard #1) can be discarded immediately. There's no reason to retain them. Requests for funds which are considered and then denied need only be kept a year and then discarded.

- How many times does a proposal need to be copied and reviewed? The more reviews, the more paperwork in terms of copying, correspondence, follow up, correlating opinions, etc. Some foundations have a citizen review committee which advises the Grants Committee which reports to the Board of Directors.

If the Board of Directors wishes, it can designate the Grants Committee to act on its behalf. Thus, the actions of the Grants Committee are final and they are reported to the Board of Directors for confirmation. This process saves considerable time and paperwork and expedites grant making.

- Two last considerations for reducing paper work include the number of meetings held by committees of the community foundation and the number of committees.

Some foundations have up to twelve committees. Preparing for, distributing materials, and reporting on committee meetings represents a considerable amount of paper work (and staff time).

Boards of Directors vary in the frequency of their meetings from monthly to quarterly. Smaller foundation Boards seem to meet more often than those of larger foundations but it is hard to ascertain whether or not this is necessary in that Boards which meet quarterly seem to be just as effective and successful in their work as those that meet more often.

Comments On Grantmaking Consulting

“You’ve really challenged me and awakened many of the organizing skills and grass roots spirit that I saw and felt early on professionally . . . You really had an impact - I should say “have” because it continues to unfold.”

Suzanne Lee
Executive Director
Elmira-Corning Community Foundation, New York

“Thank you for your time, energy, and tremendous creativity. You were just what I needed as I take on the leadership of this great foundation!”

Carolyn Milne
Executive Director
Hamilton Community Foundation, Ontario

“Bill Somerville got Board members thinking proactive rather than reactive in the area of grantmaking. He tends to spark creativity in assessing ways to address community needs.”

Elizabeth A. Wright
Executive Director
Community Foundation of Grant County, Indiana

QUESTIONS? For inquiries about grantmaking consulting call (510) 645-1890

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