

# Building Community Foundations

Bulletin # 21

March 1996

## Grantmaking Consulting Program

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

*Funded by:* David and Lucile Packard Foundation

### COMMUNITY FOUNDATIONS ARE A GOOD INVESTMENT

Since a community foundation is dedicated to the proposition of increasing philanthropic giving, it makes sense for large private foundations to invest in the growth of community foundations and many are doing so.

- The Lilly Endowment has invested more than \$60 million in helping community foundations get started in Indiana.
- The W.K. Kellogg Foundation has allocated and granted almost \$60 million for community foundations primarily to support the Michigan Community Foundation Youth Project where each foundation got a \$1 million endowment gift for youth ages 12 - 21 to give out; also included is \$2 million for computers to community foundations in Michigan.
- The Ford Foundation has used over \$20 million on community foundations trying to get them to focus on major social issues.
- The William & Flora Hewlett Foundation gave out \$7 million to community foundations in the San Francisco Bay Area in \$500,000 grants for unrestricted endowment growth.
- The James Irvine Foundation has awarded over \$8 million toward the growth of community foundations including technical assistance to strengthen foundations, program assistance to focus on particular social issues, regranting e.g. giving money to community foundations for rural arts funding.
- The Charles Stewart Mott Foundation probably has the longest record of support to community foundations with multi year funding for administrative support to newly formed community foundations, programmatic funding for community foundations to give grants in a particular area of social concern, and funding to the Council on Foundations to sponsor the on-site consulting program and the organizational development program for community foundations.
- The David & Lucile Packard Foundation has been increasing its support toward the growth of community foundations primarily in Northern California. It has funded the Grantmaking Consulting Program, supported community foundation technical assistance efforts, and given support to the Southeastern Council of Foundations' program to increase philanthropic giving in the South by helping in the formation of community foundations.
- Other foundations undertaking initiatives involving community foundations include The Pew Charitable Trusts (neighborhood preservation) and the Annie E. Casey Foundation (employment).

It would behoove executives of community foundations to take an inventory of philanthropic entities in their midst and make a case that an investment in the community foundation is an investment in the growth of philanthropy. If you need support for your argument, contact one of the above foundations.

### **WHAT IS A SIGNIFICANT GRANT?**

Are there quality factors to grantmaking? What makes for a “good grant”? All funders strive so that their grants have positive impact and most funders are proud of their grantmaking.

It is interesting to note that many Board members and executive directors of community foundation never the less question whether their grantmaking is as good as it could or should be. They are concerned that the grants are lackluster, that they seem to be “routine” in that it is the same thing over and over again, that there is no significance to the grants.

The following list is offered not as a formula for grantmaking but to help people ask the right questions in their pursuit of using the philanthropic dollar effectively. Hopefully, we will continually ask how our grantmaking can be done better:

- Is there an element of risk in the grant? If things are to get better in our communities, we have got to try new approaches and one can't be entrepreneurial without taking risks. Thus funders should not only encourage but require risk taking and conversly, they should be tolerant of failures when they occur (because failures are learning experiences.)
- Is the applicant reaching out to serve new population groups? Programs tend to settle in and serve the same people. We need to require a more dynamic approach. An example is an established dance company which has historically served middle and upper income women and their daughters. Question, would they consider reaching out to low income children. Answer, yes and in 13 years the program has served over 3,000 such children while sustaining its original outreach.
- Is the grant given on a timely basis? In other words, is good timing involved? Often a small grant can have more impact when it is available when needed. The funder that meets annually or semi annually misses out on good timing in grantmaking.
- Is there a feeling of trust between the funder and the grantee? Or is the grant being given because “it sounds good”? Extensive interchange is required as an element of good grant making, not so much that the applicant becomes a supplicant but enough so that the two parties are on the same wave length and their interchange helps to strengthen the project through give and take.
- Will it be possible to see a positive outcome from the grant? Will it have impact in the community? This moves us away from funding new water heaters and fixing the roof to more substantivew undertakings. It is hard to measure impact, but we know it when we see it.
- Is the project to be funded the product of creative/original thinking vs. responding to a crisis and needing the money now. One of the biggest challenges to funders is to encourage and develop creative thinking by applicants. They need your blessing otherwise they feel guilty or not relevant unless they are responding to a problem. Creative thinking is idea based not problem motivated.
- Are we as the funder asking ourselves “what more could we be doing”? Think of a shark, it must keep moving forward to stay alive; it can't stop or it will drown. We need to be aware that when we spend time announcing what we are doing we also need to nudge ourselves to keep moving forward. There is no resting on ones laurels.

## Comments On Grantmaking Consulting

*"Bill's energy and intensity have overwhelming qualities. One would wish for a "breather" and then realizes the intensity is a real factor in the presentation."*

**James S. Barrett**  
**Executive Director**  
**The Spartanburg County Foundation**

*"Bill causes you to take yourself more seriously and to value your work and its results more deeply. His inspiration may not give you an immediate blueprint, but that's OK. He leaves you more firmly rooted and focused."*

**Virgil Stucker**  
**Executive Director**  
**Berkshire Tacomac Community Foundation**

*"Bill was an inspiration for Board and Committees in creating a sense of excitement and possibility around the granting function. The Board has been removed from the granting and Bill gave many examples of projects that really interested them. He created momentum that was badly needed."*

**Marjorie J. Sharpe**  
**President/Chief Executive Officer**  
**Community Foundation for Greater Toronto**

### NOTICE

A new training effort for foundation program officers is being offered. In groups of eight, on a regional basis, training specific to programmatic work at a community foundation will be offered. The seminars will be three days long and cost \$100 plus travel and living expenses. It will cover reviewing proposals, understanding financial reports, developing funding guidelines, working with applicants, writing up reports for the Grants Committee, evaluating grants, and keeping track of grants and grantees.

To request information call (510) 645-1890

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