

Building Community Foundations

Bulletin # 22

June/July 1996

Grantmaking Consulting Program

Sponsored by: Philanthropic Ventures Foundation, Bill Somerville - President

Funded by: David and Lucile Packard Foundation

GRANTMAKING CONSULTING

Grantmaking consulting is available to all community foundations. Over 100 foundations have participated in the program. A consultation visit covers three days; the consultant's time is paid by the Packard Foundation. If the foundation has assets below \$8 million, the only cost is the consultant's meals and lodging.

Community foundations with assets below \$500,000 and over \$200 million have received consulting which consists of a review of the foundation's grantmaking procedures, literature, applications, record keeping, and evaluations. In addition, there is an extended meeting with the foundation's Board of Directors (minimum of 2 hours), meetings with the Grants Committee, Executive Director, foundation staff, chairpersons of the Board and Grants committees.

In order to help market the community foundation, there are optional meetings with media representatives (radio, T.V., newspapers) meeting with local grantmakers (hosted by the community foundation) and meetings with potential donors.

The goal is to have an outside expert assess the foundation's operation, offer new ideas, stimulate new insight, and create greater expectations. The outcome is increased enthusiasm of the foundation's board members, specific recommendations for change (including paperwork reduction) and a renewed vision/understanding of what grantmaking can be.

For further information call (510) 645-1890

GRANT EVALUATION

Evaluation seems to be a bifurcated process. It is a judgement of who should be given a grant and an assessment of what people did with their grants. There is redundancy in this process in that some of the same things are done in both the judgement and assessment processes.

Basically, the judgement process involves: (see Comments below for corresponding narrative)

1. Reading of the proposal to see if it is eligible for further consideration
2. If eligible, scheduling a site visit-interview
3. Contacting reference persons regarding the applicant agency
4. Reviewing pertinent literature that would be helpful in understanding the proposal
5. Summarize in writing your findings for presentation to the Grants Committee
6. Committee members' review of proposals and writeups, discussion of their opinions and decision making

The assessment process involves:

1. Narrative reports from the grantee on the progress of the funded program
2. Financial reports from the grantee on the expenditure of the funds
3. Site visits to grantees to observe the programs
4. Clipping stories on the grantees in newspapers or magazines
5. Talking with referral persons and writing memos to the files

Comments on evaluation - Deciding on making the grant:

1. Requiring the foundation to provide an abstract paragraph at the beginning of a proposal, will often assist the reader to decide if it is worthwhile to proceed any further. This saves considerable time.
2. It should be the goal of the foundation that every eligible applicant has a site visit by a foundation staff person (this is one of the primary jobs of the foundation staff). When the proposal is being read by a staff person, questions that come up should be written down. This list of questions becomes the interview schedule for the site visit.

The site visit is a good opportunity to tour the facility, observe the operation and get a feel for the program.

The site visit is one of the most important processes for foundation personnel to learn. It involves developing such skills as: putting the applicant at ease so that he/she will be frank, candid and honest; good listening to hear what is being said and to think of additional possibilities; openness, candidness, modesty, honesty and straight forwardness (i.e. overcoming your own nervousness or over-confidence).

The site visit should be as short as possible, without lingering discussion that goes on forever. Be considerate of the applicant's time. Remember, the applicant doesn't feel right in bringing a site visit to an end -- the funder needs to do this.

3. Part of the guidelines for application should be a request for the names of three reference persons for the applicant agency. These are professionals who are familiar with the applicant's work. What is needed is name, title, and telephone number.

When these people are contacted, they should be asked for their frank and candid opinion of the applicant agency. Usually they will say something positive, and they should be asked why they feel this way. The way to reach beyond complimentary statements is to ask, "What would you suggest to help this program improve beyond where it is now?" If the reference person feels the need to say only very positive things, one can ask for the names of other reference persons. These are secondary references, and often they will be more candid.

The point to be made is that one reference person shouldn't be able to veto or guarantee a grant, but can give information that is useful in getting a perspective on the applicant.

4. Sometimes it is helpful to review some materials related to the work of the applicant, but it isn't necessary to become an expert on their work.

Foundation personnel are not experts in every field they fund. They are experts at getting into the networks of all the fields, thereby, being able to make judgements about making grants.

5. There are two types of staff writeups: those that stand alone, i.e. summarize, analyze and recommend, and those that give additional information which is submitted to the Grants Committee along with the proposal.

Large foundations use the former simply because there is too much paper to send the proposals to the Grants Committee. Every attempt at brevity is made and often one page suffices. Some foundation personnel go into detailed analysis with extended narrative and full blown discussion. Such reports are often more lengthy than the proposal itself. Smaller foundations that submit a limited number of proposals for funding review can excerpt the core of a proposal which is usually six to ten pages. (e.g. the IRS letter doesn't need to go to the Grants Committee). The staff writeup doesn't need to summarize, but can present information from the site visit, comments from reference persons, and from their own research on the applicant.

Some Grants Committees want a staff recommendation to fund or not to fund, others prefer to decide for themselves.

Staff writeups of requests for funding are perhaps the most important documents in a foundation's operation.

The materials that go before the Grants Committee are called a portfolio. They include staff writeups, agenda, Minutes, budget materials, etc. These should be sent to the Grants Committee at least two weeks in advance of a meeting so that committee members will have time to read them and do whatever inquiry they want to do.

Comments on evaluation - After the grant is made:

1. Most foundations require that the grantee report to the foundation after a period of time. Such reports give a detailed breakdown of how the money was used and a narrative on the progress of the program. Sometimes the reporting requirements of the funder are out of proportion to the size of the grant i.e. far too much information is requested. Some funders use reporting forms for the grantee to complete. Unfortunately, such forms tend to pigeon hole information as if one form fits all. The grantee should be allowed to describe what took place and be encouraged to share how the program is going. It is very useful if the grantee has the confidence to say what went wrong as well. To a funder, this is extremely useful information.
2. If the funder gave money for an item, the financial report merely needs to be a copy of the sales receipt. Other financial reports can be more involved, but the basic principal is to require only what is necessary to show the money was spent as agreed. Often this comes as a narrative report and involves the element of trust. Again, make the reporting requirements proportional to the grant.
3. If there was a site visit to the applicant, there also should be a site visit to the grantee - same agency, different perspective. One of the best persons to conduct the second site visit is the foundation intern. Such interns are college students, retired persons, or other volunteers. They bring a fresh perspective to their work. First, they review the grantee folder, develop interview questions, and make an appointment. They should be briefed by foundation personnel before the site visit and debriefed afterwards. They should write a report on their visit which becomes part of the grantee file. The important point is that a new person is involved in the evaluation process. This person has been trained on how to conduct the interview, e.g. be at ease, and conduct the site visit expeditiously and not take up the grantees time unnecessarily.
4. Whenever there is media coverage of grantees, someone should clip the article and file it in the grantee folder. If someone says something significant about a grantee, a memo to the files should be placed in the grantee folder.
All sorts of people can help here as no one person can review all publications (such as interns, volunteers, administrative staff).
5. If foundation personnel want to find out more about a grantee, they can contact reference persons. Such conversations should be noted in memos to the files which are put in the grantee's folder.

Other Thoughts On Evaluation

One foundation purchases cameras for some of the grantees to use in reporting on their work. Pictures are an excellent way of keeping donors informed on how their money was used. Pictures are rarely required in evaluation reports, and grantees tend to overlook their importance.

.....

Current research on foundation evaluation is being conducted by William E. Bickel and Rosemary Hathrup McNelis at the Learning Research & Development Center, University of Pittsburg.

One of their papers: "The Role of Evaluation in Mid & Small Sized Foundations: Preliminary Results from a National Survey" is available by writing:

**Learning Research & Development Center
3939 O'Hara Street
Pittsburg PA 15260
(412) 624-7090**

The researchers are working on additional papers concerning evaluations by foundations.

COMMENTS ON GRANTMAKING CONSULTING

"Bill Somerville had generated new excitement in the grantmaking process by encouraging our organization to view our programs from a new perspective. His grantmaking consulting has challenged us to think more creatively about grantmaking and has provided an enormous array of ideas to assist the Foundation in serving the local philanthropic community. I give my wholehearted recommendation to all foundations to become revitalized through this process."

Sue Ellen Harwood
Executive Director
Sonora Area Foundation, CA

"Very good - Bill gave us so many good ideas! I think he worked hard to tailor his comments to our stage of development. Bill was extremely well informed on our foundation when he came. He has a way of emphasizing the positive things you're doing and giving you ideas for improvement."

Sharon L. Beckman
Executive Director
Whetley County Community Foundation, IN

"Somerville intuitively knew the place to begin - where I was - like a good teacher when he left I knew I needed to stretch."

Suzanne Lee
Executive Director
Elmira-Corning Community Foundation, NY

The First special training session for community foundation program officers will be held August 26, 27, 28, 1996 in New Haven, CN. This session is open to persons in the northeastern states. Further regional training sessions will be announced. These are small group sessions covering all of the topics that relate to program officers and grantmaking. The cost is \$100 plus travel and living expenses.

Building Community Foundations
Philanthropic Ventures Foundation
1212 Preservation Park Way
Oakland CA 94612

NON PROFIT ORG
U S POSTAGE
PAID
OAKLAND CA
PERMIT NO. 962

Advisory Committee:
Bill Bondurant
Tullia Hamilton
Helen Monroe
Peter Pennekamp
Janice Windle