

PLEASE ROUTE:

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CHAIR GRANTS COMMITTEE _____

BUILDING COMMUNITY FOUNDATIONS

GRANTMAKING CONSULTING PROGRAM

Sponsored by:

PHILANTHROPIC VENTURES FOUNDATION-
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Bulletin #33
May 1998

CORRESPONDENCE WITH APPLICANT/GRANTEE MAKE IT SIMPLE

In the interest of reducing paper work, this issue of the Bulletin looks at correspondence with the two public community foundations serve, those who give the foundation funds and those who seek funds from the foundation.

In Bulletin #20, January 1996 we discussed reducing paper work and suggested a number of ideas:

- * Require only one copy of a proposal from an applicant.
- * Use form postcards for out of area requests.
- * Establish a 'not favored status' for weak proposals i.e. staff turndown.
- * Allow and encourage phone calls of intent versus correspondence.
- * Keep records only as long as legally required.
- * Let the Grants Committee act on behalf of the Board of Directors.
- * Keep foundation committees to a minimum and schedule Board and committee meetings quarterly versus monthly.
- * Use Guidelines for Application over application forms.

(Detailed information on all of the above items is given in Bulletins #2, #9, and #20 - See box on ordering back bulletins.)

The three primary categories for foundation correspondence include the applicant, grantee, and donor.

First is a notification to an applicant who has received a grant. A suggested letter for this would go thus:

Dear **(Grantee)**

We are pleased to inform you that at its **(Date)** meeting the Distribution Committee of the **(Foundation)** authorized a grant of **(\$)** to **(Statement of what grant is for, e.g. general support, repairs, new program)**

We will wait to hear from you as to when these funds are actually needed at which time we will send a check or make payments in **(#)** installments. You may feel free to suggest a payment schedule that is best for you.

The Foundation requires publicity of its grants, and we would like to receive a copy of any press release you send out, news coverage, coverage in your agency newsletter.

We wish you continued success with your work.

Sincerely,

- This letter can stand-alone and any reference to it indicates important dates, what the grant was for and whose move is next.
- The letter is short, to the point, and is a “contract” of sorts, in that it specifies what the money is for.
- For small community foundations, the letter allows them to keep the money until it is needed and retain the income.

WHAT KIND OF AGREEMENTS ARE NECESSARY

Many foundations include an agreement contract stating prohibitions on the use of the grant money, which must be signed and returned before a check can be sent. Is this necessary?

In the opinion of the Editor, this agreement is unnecessary, adds to paper work and is often overlooked, or misplaced, which results in multiple phone calls to find out where the check is.

Why state what is prohibited, e.g. “no political use of grant money”, when the original notification letter specifically stated what the money was for? In theory, the prohibition list could go on indefinitely.

If a foundation wants an agreement, it can require the grantee to sign at the bottom of the notification letter, indicating agreement with the terms, and fax a copy to the foundation.

Grantee Letter of Transmittal	Donor Advise Letter
<p>Date</p> <p>* * *</p> <p>Dear (Grantee)</p> <p>We are pleased to enclose our check for (\$) which represents support of (Statement of what grant is for) which was approved by our (Committee) on (Date).</p> <p>Before we make our second payment (or After these funds are expended), we need to receive a narrative of your progress and an accounting of how this money was used. I wish to emphasize how important it is that we hear from you.</p> <p>Please sign below and fax or send a copy of this letter indicating acceptance of the grant terms.</p> <p>Sincerely,</p> <p>Signature: _____ Title: _____ Date: _____</p> <p>PS - Enclosed is a one-time use camera for you to use in reporting back to us.</p>	<p>Dear (Donor)</p> <p>It was a pleasure meeting with you and I am writing to reflect our conversation regarding establishing a Donor Advise Fund with the Foundation.</p> <p>You would like to establish a Fund to be known as the (Specific Name Donor Requests) Fund. Your primary funding interests are (Specific Interests) and you mentioned that you would welcome having me call outstanding programs in these areas to your attention.</p> <p>We agreed that your primary geographic interest is (Foundation's Area) but that you could recommend grants anywhere if you wished.</p> <p>Your Fund will be held in a fixed income account. We will give you (monthly, quarterly, annual) reports on your account.</p> <p>Our administrative fee is ___ % of principal per year.</p> <p>You may feel free to call on us to evaluate programs that you have funded or are considering funding.</p> <p>Our Board has stated that a minimum grant that can be made from a Donor Advise Fund is \$200. The minimum to start such a Fund is \$5,000.</p> <p>It would be delightful to work with you. If it is your decision to start a Fund, you merely need to send us a check.</p> <p>Sincerely,</p>

Another sample donor advise agreement letter was produced in Bulletin #30.

PAST COPIES OF BUILDING COMMUNITY FOUNDATIONS ~ For \$20 (to cover copying and mailing) readers can have a complete set of Building Community Foundations, issues #1-#33. Mail check to: Philanthropic Ventures Foundation, 1212 Preservation Park Way, Oakland CA 94612.

Grantmaking Consulting Services

- I. **Three day on-site visits** include a program audit of foundation operations, extended meetings with the Board and Grants Committee, and interviews with the Executive Director, staff and chairpersons. [**Cost:** Consultants room and board – include travel if assets over \$8 million.]
- II. **Two day training for program officers** using a 300 page syllabus covering all operational issues. Available for groups of 5-10 program officers in a region. [**Cost:** \$100 per person.]
- III. **Facilitating Board retreats** for periods from 1/2 day to 1 1/2 days. These are focused sessions leading to specific outcomes. [**Cost:** Consultants travel, room and board.]

COMMENTS ON GRANTMAKING CONSULTING

“Fantastic! Great information, useful direction, motivating and full of passion. Bill does an excellent job of getting people to think outside the box. We will be changing some things around here for the better because of it.”

**Clare Payne Symmons, Exec. Director
Community Fdn of Jackson Hole, WY**

“Refreshing! Challenging! What great ideas you shared with our community including our Board, staff, non- profits, and community members. Your energy is contagious and we can’t wait to implement some of your recommendations.”

**Jayne Ottman, Program Officer
Community Fdn. Jackson Hole, WY**

“Great - espically as someone starting out in the business. I have a better perspective thanks to Bill.”

**Lauren Appel, Administrative Assistant
Community Fdn. Jackson Hole, WY**

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

Tel: (510) 645-1890 Fax: (510) 645-1892

Non Profit
Organization
U S POSTAGE
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Oakland CA
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Advisory Committee:

Bill Bonduarant

Tullia Hamilton

Helen Monroe

Peter Pennekamp

Janice Windle