

PLEASE ROUTE:

EXECUTIVE DIRECTOR _____

PROGRAM OFFICER _____

CHAIR GRANTS COMMITTEE _____

BUILDING COMMUNITY FOUNDATIONS

Bulletin #40
August 1999

GRANTMAKING CONSULTING PROGRAM

Sponsored by:

PHILANTHROPIC VENTURES FOUNDATION-
BILL SOMERVILLE, PRESIDENT

Funded by:

DAVID AND LUCILE PACKARD FOUNDATION

How Do You Deal With.....

(The following scenarios have been sent in by readers of Building Comm. Foundations.)

What to do? My Board Chair wants control of everything.

Response: Usually when this happens, the foundation Board is not well informed. Regular reports need to be made to all Board members by the foundation CEO. These reports state what is being done and what needs to be done and who is responsible to do what.

Sometimes it is necessary to give a specific responsibility to the Board chair. One private foundation created the "Chairman's Fund" so that the Chairman would stop doling out money pell mell i.e. he could only give from his fund and that was all.

Make sure committee chairpersons are well informed and that they take responsibility for their allotted work so that the Board Chairperson doesn't just take over these responsibilities.

Try to move away from meeting with the Board Chair so often that this invites intrusive behavior.

If the situation is very serious, consider having a disinterested third party conduct a Board retreat to set goals and responsibilities, to give an outside appraisal of the foundation, to possibly confront the situation for discussion.

Be sure the Chairperson gets copies of Building Community Foundations.

What does one do with Board members who micro-manage the community foundation?

Response: Everyone has ideas about how programs should operate and sometimes they are good ideas. There needs to be a way for people to make suggestions without the corollary of meddling.

Be sure you as the foundation CEO are open to suggestions. The more defensive or unsure you are in your work, the more prone you are to see a suggestion as micro-managing.

Try having a “period for comment” by Board members on special projects and thereby institutionalize the idea of suggestions—but in clear parameters. Sometimes foundation staff persons show trepidation (conscious or unconscious) and this invites micro-managing.

If a Board member or foundation Board Chairperson continually calls “I want you to do this or I think we ought to be doing.....”, this can get serious in terms of staff morale, misunderstanding, or creating bad feelings. The only out is to confront it and for people to say how they feel about things in the hope that new awareness will create a better working relationship.

How does one handle Board members or a Chairperson who wants to see a particular project get funded?

Response: First, be sure the foundation staff has made it clear to the applicant that their dealings are with the staff, not with Board members. This needs to be done firmly and with aplomb.

Second, there needs to be repeated to Board members and the general public that the foundation does not fund on who knows who but on the worth of the idea. Your integrity depends on this.

If influence helps an applicant get a grant, you have entered the political world and a basic premise of foundation work is that it should be apolitical.

To be sure, a foundation Board member can say a good word about an applicant, but to try to persuade fellow Board members is crossing the line. At the same time, the foundation staff needs to be diligent in trying to be objective. Clearly, all funding decisions are subjective but the validity of the process is in trying to be as objective as possible. For example, once the staff has presented the facts on an applicant, the Board should be able to discuss freely without concern for

staff feelings. In other words, the foundation staff also should not lobby the Board.

Who does a community foundation staff member answer to? What do you do when a foundation staff member goes directly to the Board with a concern?

Response: The foundation staff answers to the CEO who answers to the Board. Unless there are directives to the contrary, foundation staff might feel free to contact Board members. This invites micro-management and it can create serious situations of confrontation. Staff should not go to Board members when there is controversy and this needs to be made clear to everyone.

There are foundations which do not allow the staff at Board meetings except for the CEO.

Meetings are a balance between everyone having a say and coming to a conclusion. Many foundations have created Executive Committees in order for less people to be involved in decision making; this has a down side in that people can feel left out.

DEFINITION OF A GOOD BOARD MEETING

A good community foundation Board of Directors meeting is a celebration of the work done by the staff which fulfills the vision set by the Board.

SAMPLE CONFLICT OF INTEREST STATEMENT

If a community foundation board member feels there is the possibility of a conflict of interest on his/her part, this person offers to leave the room.

The other board members decide whether or not the person should stay or leave. If the person stays in the room, that person will remain silent unless asked a direct question by another board member.

The person will abstain from voting on the issue and the Minutes of the meeting will so reflect.

REFERENCES ON BOARDS

National Center for Nonprofit Boards

2000 L Street, NW #411

Washington DC 20036

Publication: Governance Matters

The Center offers information about board retreats, workshops, trustee services, board self-assessment.

Governance is Governance

Kenneth W. Dayton

Oakleaf Foundation

Mr. Dayton has written a nine-page paper on governance which is thoughtful and direct.

Notes from Mr. Dayton's paper:

“You cannot long have good management without good governance.”

“Trusteeship involves helping the CEO in whatever way is requested.”

“Two roles of a trustee – governance and volunteering and they need to be kept separate.”

“Governance is not management.”

“Governance or trusteeship, the terms are interchangeable.”

“One needs to develop clearly defined and agreed-to position descriptions for the CEO, the board, and the Chairman.”

“Governance is governance, management is management, and every organization must clearly distinguish between them.”

“As trustees we are there to support, encourage, challenge, stimulate, and help the CEO.”

Five Steps to a Strategically Focused Board

Hood & Strong LLP

Certified Public Accountants

Volunteer Consulting Group / board member's FORUM

9 East 41 Street
New York NY 10017-6224
E-mail boardinfo@vcg.org

Boards From HELL

Susan M. Scribner
Scribner & Associates
49 Coronado Avenue
Long Beach, CA 90803
310 433-6082

Sample contents: Types of Boards

How to Create a Board from Hell

About Heavenly Boards

The Roles of Board & Staff

COMMENTS ON THE GRANTMAKING CONSULTING PROGRAM

“Bill Somerville has certainly made an impact on us. People are fired up. They are willing to take risks and they are willing to make big changes --- NOW! He has done great work here.

Our Board of Directors met for three hours several days after his visit. Two donors have already volunteered to give out more of their money, and to give it for administration.

We have a new Grants Committee consisting of three Board Members and are re-designing our Grant Request Application to accommodate the community's needs on a quarterly basis rather than annually.

There is more. And all as a result of Bill's seminar with us. His service has been invaluable to the growing awareness of philanthropy in this community. His energy spent during his short time here was inexhaustible, his willingness to respond to our needs always positive. It is good work that he does.”

Board Member
Homer Community Foundation
Homer, Alaska

“I enjoyed hearing you discuss philanthropic capital venturing and ways to streamline The Greater Harrisburg Foundation. Moving in the directions you suggest seemed well within the range of probability for people like me trained to think “in the box”.

Spencer G. Nauman, Jr. Esq.
Board Member
Greater Harrisburg Foundation, PA

Building Community Foundations

Philanthropic Ventures Foundation
1212 Preservation Park Way
Oakland CA 94612
(510) 645-1890 (510) 645-1892 fax

Non Profit Organization
U S POSTAGE PAID
Oakland CA
Permit No. 962

The Grantmaking Consulting Program offers three services:

- ◆ Three day on-site visits with extensive review of foundation procedures, extended individual sessions with the foundation board, grants committee, and staff.
- ◆ Two day training session for program officers (5 or more persons).
- ◆ Facilitating board retreats.

The services are available to foundations in Canada and the U.S.

The only cost to foundations is the consultant's room and meals if the foundation is smaller than \$8 million in assets, and travel for foundations of \$8 million +. His time is sponsored by the Packard Foundation.

Past copies of ***Building Community Foundations***, Bulletin 1 (August 1992) to Bulletin 39 are available as a unit for \$20 to cover the cost of copying and mailing. Send check to:

Philanthropic Ventures Foundation
1212 Preservation Park Way
Oakland CA 94612-1201 E-mail pvf@lmi.net