

BUILDING COMMUNITY FOUNDATIONS



Philanthropic
Ventures
Foundation

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Grantmaking Consulting Program

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IS FOUNDATION WORK A PROFESSION?

Usually a profession is defined by having a college degree focused on a field of work; by passing an entrance examination and becoming certified; by taking required annual training courses.

In this light, foundation work is not a profession but nevertheless it is becoming a field of work with clear expectations and definitions of excellence. For example, all foundations want their grantmaking to be 'significant' and to have 'impact' but it isn't clear how one gets there.

There are over 82 listing of colleges and universities affiliated with American Humanics with an interest in nonprofit organizations (see side bar). There are 37 plus listings by the Independent Sector on academic centers and programs focusing on the study of philanthropy, volunteerism, and nonprofit activity. There are about 30 nonprofit management programs in the country. In other words, there are many programs in academia relating to nonprofits (and sometimes foundations).

Over the years, people have discussed accrediting foundations, the same as schools, colleges, and some nonprofits are accredited. This involves an on-site visit by a team of colleagues who thoroughly review the work, operation, and outcome of an entity. This has never come about for foundations nor are there indications such would happen in the foreseeable future.

As things stand, there are avenues to observe and evaluate nonprofit entities but foundation staff individuals are not

AMERICAN HUMANICS is a national alliance of colleges, universities and nonprofit organizations preparing undergraduates for careers with youth and human service agencies. American Humanics' mission is to prepare and certify future nonprofit professionals to work with America's youth and families.

www.humanics.org

HOW COMMUNITY FOUNDATIONS ARE ACTING AS AGENTS FOR LOCAL CHANGE

Community foundations have been stepping into a new role: community catalyst. A new report, "Community Catalyst: How Community Foundations Are Acting as Agents for Local Change," is designed for community foundations interested in learning more about this work.

www.irvine.org

PLEASE ROUTE TO:

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covered in such evaluations. The closest we have gotten to staff evaluation is to look at the performance of the entity.

What are the factors of excellence in the exercise of philanthropy? How does one prepare for work in the foundation field? How do we begin to evaluate the work of individuals in philanthropic foundations?

The David & Lucile Packard Foundation has from time to time tried to evaluate its work by asking grant recipients and people denied grants how they felt they were treated. Such things as candor, etiquette, returning calls on time, etc. were asked. Albeit, this is very generalized, yet it represents one of the few attempts by a foundation to evaluate its work and its staff.

Even though an accreditation is more a look at the entity versus individuals, the entity is the product of the work by individuals. This is to say that outstanding people are usually behind outstanding work.

Could a comprehensive on-site evaluation of a foundation's work be used to also evaluate the staff? The answer is 'yes.' The Editor has developed evaluation factors regarding philanthropic foundations listing 10 categories of operation that an on-site visit would look at. These include grantmaking (with 14 subcategories), services to nonprofits, publications, handling of correspondence (incoming and outgoing), time management, administration, policies, filing systems, board committee structure, and bookkeeping.

In each of these categories one looks for efficiency (foundations tend to be swamped in paperwork), innovation (to stay current), simplicity, a service modality (to help others), creativity (new approaches to our work), venture (willingness to move forward), and modesty (to keep things in perspective).

In philanthropic work, as the law is now written, there are no limitations placed on foundation personnel to prevent them from spectacular grantmaking. Likewise, there are no sanctions for doing mediocre work. There is no competitive element in foundation work. How does one know that they are doing well?

If foundation work was a profession, there would be standards to help guide one's work. The standards that do exist for foundations are very broad such as be ethical, hold people responsible, be open in terms of telling the public what you do, etc. It is extremely hard to get agreement on specific factors in foundation work. In some cases there seems to be a defensiveness, "This is our money and we'll do what we want."

Possibly, the best preparation for work in the foundation field is having served 'on the other side of the counter,' i.e. worked in a nonprofit.

The irony in foundation work is the feeling by observers that "I could do your job. Anyone can give money away." The reality in professional foundation work is that no one is giving money away. They are investing (grantmaking) in outstanding people doing outstanding work. One needs to know how to find such people, make contact, and negotiate a grant.

There are four flaws in philanthropy as it is practiced today:

- It is too passive. Most foundations wait for the mail.
- It is too anonymous. Consequently, foundation personnel process the proposal over and over in an effort to gain familiarity.
- It is risk adverse. Foundations abhor a failure.
- The timing of grantmaking is wrong. Foundations give at their convenience.

Preparation for entering foundation work is to become a student of philanthropy and observe the field and be critical; albeit this last task doesn't make one very popular, but it does make one more prone to be professional.

Many years ago, there was an effort to have an ombudsman in the foundation field and it didn't work.

Whether the field is too independent i.e. a confederacy, or some other factor isn't clear in determining why an ombudsman project wouldn't work.

It is noteworthy that the foundation field seems to take criticism with a sense of defensiveness.

One senior foundation executive involved in the ombudsman project stated that the best criticism regarding philanthropy seemed to come from within the field and this person felt that one of the strongest motivations to do good work in foundations was from a desire to make a difference.

This Bulletin is Part I of a two-part series on professionalism.

ADDITIONAL MATERIALS AVAILABLE TO COMMUNITY FOUNDATIONS

To request any items, e-mail info@venturesfoundation.org.

Suggestions for Endowment Building

Grantmaking Criteria

What is a significant grant?

Conflict of interest statement

Sample donor advise confirmation letter

Grantee announcement letter

Grantee check transmittal letter

Sample guidelines for application

Questions I have always wanted to ask a foundation executive

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Would Someone Like to Experiment?

The Grantmaking Consulting Program would be willing to experiment with a community foundation and conduct a full on-site evaluation of the foundation's operations as described on page two.

This has not been tried before. It would entail a four day visit (arrive on Monday p.m. and leave Thursday p.m.).

A full written report would be given to the Executive Director. This would be an in-office project at the foundation, working with the foundation staff. The cost to the foundation would be the consultant's travel and living expenses (approximately \$1,500). His time is paid by the Packard Foundation.

Grantmaking Consulting Program services include:

- **Program Audit and Evaluation** - Intensive 3-day on-site sessions focusing on analysis of foundation operations, grant making programs, public relations and internal procedures. Includes meetings with foundation board, grants committee, board chair, foundation staff, and executive director. Optional inclusions are meetings with funders, interviews with local media, and meetings with nonprofit organization personnel. The days are full and intense with the result being new enthusiasm, new expectations and new ideas.
- **Program Officer Training** - 2 full days of training for foundation personnel, involving problem solving, interaction of participants and exchange of ideas, accompanied by 500-page reference manual. Participants analyze actual grant requests, evaluate and make grant making decisions and engage in role-playing.
- **Board Retreats** - Facilitator for Board Retreats (1/2 to 2 days). Work through issues facing foundations including growth, planning community outreach, & grantmaking. Results of retreats include critique of the Foundation's work, new insights for change, & recommendations for the future.

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