

BUILDING COMMUNITY FOUNDATIONS



Philanthropic
Ventures
Foundation

Bill Somerville
President

Grantmaking Consulting Program

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ABOUT THE EDITOR

Bill Somerville has been in non-profit and philanthropic work for 44 years. He was the director of a community foundation for 17 years, and in 1991 founded Philanthropic Ventures Foundation where he serves as President and Executive Director. PVF is a demonstration foundation practicing unique forms of grantmaking and conducting initiative philanthropy. He has consulted at over 265 community foundations in the United States, Canada, and abroad, on creative grantmaking and foundation operations. In addition to Building Community Foundations, he publishes Dialogue for development officers. His primary interest is in the creative and significant use of the philanthropic dollar.

SOUND FAMILIAR?

From time to time community foundation executives write in to PVF describing issues that affect their work. The Editor is sharing one of these letters with readers to provide insight into how to deal with similar issues or, better yet, how to prevent them from happening.

PERFORMANCE REVIEW FOR COMMUNITY FOUNDATIONS

Community foundations can now request an intensive performance review, which consists of a four-day on site visit by PVF President, Bill Somerville.

We are honored to announce that Mr. Colburn Wilbur, current Trustee and past President of the David and Lucile Packard Foundation, has volunteered to conduct tandem consulting sessions with Bill Somerville over the next few months. Mr. Wilbur is a world reknown authority on grantmaking and philanthropy. If your foundation is interested in having a Performance Review conducted by Mr. Wilbur and Mr. Somerville, please contact PVF.



(Performance Review, continued on page 2)

Dear Bill, We are facing a problem with a Chair who refuses to leave (after 11 years) and wants to run the Community Foundation as his own private foundation. From conversations, I believe this is not at all uncommon, and an issue that probably should receive more attention.

What complicates our situation is that the Chair is a leading estate planning attorney, and thus his practice and role as Chair are closely entwined.

(Continued on page 3)

Executive Director

Program Officer

Chair Grants Committee

A Performance Review is a 'first of its kind' in its comprehensiveness, and represents a performance appraisal analogous to a university or hospital accreditation. At present, there are no accreditation procedures for foundations in the United States.

The reviewer looks at all aspects of the community foundation's operations and interviews all staff members. The major areas of focus in the Performance Review are as follows: grantmaking, Board concerns, administration and staffing, development and fiscal health. The foundation can also elect to have the review include meetings with the Board as a whole, individual Board Members, and past Board Members. After the review, a written report is provided to the Foundation, with opportunities for follow-up.

The only costs to the community foundation are the consultant's travel, food, and lodging expenses. The David and Lucile Packard Foundation sponsors this consulting program and underwrites the consultants' services. The estimated total value of a review is between \$12,000 - \$15,000.

Performance Reviews are available to community foundations in the United States and Canada. For further information contact Bill Somerville, Philanthropic Ventures Foundation at 510-645-1890, or by email at: info@venturesfoundation.org

WHAT MAKES AN APPLICANT WORTHY?

Foundation personnel work hard to be objective in their grantmaking, but in the final analysis it is a subjective decision - do they like it or not? The following are some objective criteria that are useful in grantmaking decisions:

- Is the executive director of the program an outstanding person?
- How long has he/she been in the position?
- How long is he/she planning to stay in the position?
- How is the staff's morale? What is the data on staff turnover?
- Is the heir apparent to the executive on the staff?
- Is the program known for innovative thinking?
- Is the program known for venturing and trying new approaches?
- What is the Board attendance like?
- How much time is spent by staff serving the Board and its committees?
- What do people served by the program have to say?
- What do professionals have to say about the program?
- Does the program have a vision for the future?
- How has the program dealt with its failures?

This is a "starter" list. Hopefully, foundation personnel will add to it. What we are dealing with here are factors of excellence in community foundation operations (working with outstanding programs) and in agency operations.

EVALUATION TERMS

You are familiar with the philanthropic terms **ROI** (Return on Investment) and **SROI** (Social Return on Investment). Elliot Hoffman, a philanthropic businessman in the San Francisco Bay Area suggests a new perspective with these new terms: **ROH** (Return on Humanity) **ROC** (Return on Community)

SOUND FAMILIAR? (continued from page 1)

He only wants us to meet with high net worth prospects, and will not allow any work to be done with low income groups, non-profit agencies, or in the whole convening-leadership area. The Board so far has let him have his way because he is directing millions in endowments our direction.

Dear Foundation Executive,

You do have problems. In response, do your By Laws stipulate term limitations for Board Members? If so, the Board might want to enforce them.

Second, is there a Vice Chair of the Board? If not, the Board might want to select one. This person should be given to understand that he/she will be the Chair on such-and-such a date.

Third, you might consider establishing a Chair Emeritus position where this person is closely associated with the Community Foundation but not running it. In other words, there is great prestige in this position but no power.

Fourth, bestow other honors on this person. "Founding Father of the Foundation," "Eminent Estate Attorney," etc., with certificates, plaques, honorary dinner. Feed his ego so he doesn't need the Chairmanship of the Board.

Dear Bill, These are all good ideas. But I am increasingly afraid that nothing will pry loose his hold. We have tried the Vice Chair approach without success. His current term is for six more years, then he goes off the Board. I can only hope that, perhaps in 4-5 years, the Board will be willing to tackle the succession issue, whether I am here or not. The fact is, he simply gets too much from his position to relinquish it, and the core members of the Board (all of his old friends) see the bequests that he brings as too valuable to move him. I can only try to moderate him over time. If I were younger, I would probably opt out.

Editor's Comment: Here is an outstanding foundation executive ready to quit because the foundation is compromised by one powerful person. Are there ways this could have been prevented or ways it can be dealt with?

One of the object lessons here is to see how vulnerable community foundations are and how delicate the balance is on how they operate.

Maybe there is something to be gleaned from recent corporate scandals which pointed out the necessity of having more independent Board members, versus a self-perpetuating or a rubber stamp Board to the Executive.

We all strive to have a Board in which members enjoy each other's company and find it fulfilling to serve. The price for this can turn out to be a clique.

The fact is that a philanthropic Board has no one to answer to, such as shareholders. In philanthropy there are no sanctions in the law for mediocre work.

Maybe this is a call for more peer review of our work, i.e., a third party disinterested expert who does an appraisal of the foundation's work.

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Grantmaking Consulting Services Offered by Philanthropic Ventures Foundation

PVF has provided on-site consulting to over 265 community foundations throughout North America and abroad, working with staff, board members and the community to improve grantmaking and operations.

The PVF consulting fee is paid for by the Packard Foundation. Participating community foundations pay only for travel, meals, and lodging. If you are interested in receiving consulting services, contact PVF president, Bill Somerville:

510-645-1890 FAX: 510-645-1892

INFO@VENTURESFOUNDATION.ORG

The services offered include:

- **Grantmaking Consultation** - 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 day 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.
- **Performance Review** - As described on pages 1-2.

Comments on Grantmaking Consultation:

"Excellent - always stimulating. Bill has a wealth of ideas and perspectives to share with/challenge our community foundation."

- Community Foundation Board Member

"Bill Somerville did an excellent job. He provided a complete summary at the exit luncheon. He always treated our foundation and staff with praise and then made suggestions. We got at least 10 new ideas. We have already implemented several and will consider others at our next Board meeting."

- Community Foundation President

Comments on Performance Review:

"Very stimulating. Many of the recommendations by the consultant have now been recommended by the program staff to our Board program policy committee. We liked ideas on simplifying our process. We asked for supplemental information after receiving the consultant's report and got it instantly." - Community Foundation Deputy Director