

# BUILDING COMMUNITY FOUNDATIONS



Philanthropic  
Ventures  
Foundation

Bill Somerville  
President

## Grantmaking Consulting Program

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### Annual Reports

As a public charity, community foundations are required to make themselves known to the general public. The primary way of doing this is through annual reports and newsletters.

An annual report is defined by its contents: a description of activities, a listing of grants made, and financial data. As an alternative, it is possible to have a report without disclosing financial data. Such a report can be called a report to the community, a summary of the past year in grantmaking, or an activity report. The important element of foundation reports is that they be pithy, upbeat, candid and informative.

Regarding foundation newsletters one corporate executive stated that if it is several pages, he sets it aside for future reference; if it is one page, he reads it immediately.

Some foundations contract with local newspapers to print the foundation report as an insert, and the insert itself can act as a mailer. Foundation reports can also be on-line at the foundation's website. Some community foundations send out reports as a calendar. The general trend in annual reports is that they are getting bigger, glossier and more expensive. The key is to get people to read them so they get excited about philanthropy and community development. High gloss reports does not equal increased readership.

Sometimes innovative graphic design choices can actually make the report hard to read, which is problematic if one is trying to reach an older audience. Such choices include the use of black print on half-tone or colored backgrounds; varnishing pictures for a 3-D effect; and miniscule typeface, which is often used under pictures.

The distribution of foundation reports should be given careful attention. Which professionals do you wish to be kept apprised of your good work? Elected officials should be on the mailing list, as well as judges who often decide where money from judgments should go. The widest possible distribution is the rule for foundation reports and newsletters. This includes financial professionals, lawyers especially those involved in trusts and estates, lenders, accountants, and, if you want, insurance agents and stock brokers.



**ABOUT  
THE  
EDITOR**

Bill Somerville has been in non-profit and philanthropic work for 45 years. He was the director of a community foundation for 17 years, and in 1991 founded Philanthropic Ventures Foundation serving as President and Executive Director. PVF is a demonstration foundation practicing unique forms of grantmaking and conducting initiative philanthropy. Bill has consulted at over 285 community foundations in the United States, Canada, and abroad, on creative grantmaking and foundation operations. In addition to Building Community Foundations, he publishes Dialogue, a newsletter for development officers. His primary interest is in the creative and significant use of the philanthropic dollar.

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**Executive Director**

**Program Officer**

**Chair Grants Committee**

Should annual reports have a cover letter? The thought is that the letter sets a warm tone for introducing the report but many letters are of such length they are redundant of the report they accompany, and detract the reader from the report itself.

An annual report should be just that – a report. It should reflect the foundation. Unfortunately, more and more reports are trying to reflect success and they show this more in the expense of the annual report's design and production, than through content. One of the basic rules of administering philanthropy is exercising modesty. The annual report that heeds this rule is doing more to serve the field.

## **Disaster Funding**

In 1993 the Editor wrote *Preparing for and Responding to Emergencies and Natural Disasters – Recommendations for Philanthropic Foundations*. He traveled around the country to visit locations affected by hurricanes, floods and other threats. He interviewed FEMA, Red Cross, foundation personnel, and others to get their point of view.

One of the recommendations in the handbook was for foundations to create a Memorandum of Understanding with nonprofits that served people on the grass roots level. Such an MOU constitutes an agreement between the foundation and the nonprofit agency in that if there is a disaster or an emergency event that affects the community as a whole, the foundation guarantees that a given amount of money is immediately available to the agency to spend in response to the emergency; such things as food, mental health work, child care, whatever is needed by the people the agency serves.

Few have followed-up on FEMA's Disaster Response concept of the MOU. Following Hurricane Katrina, the Editor traveled to the Gulf Coast to help assess the situation and the response. Upon return to California, the Editor instituted an MOU Disaster Response Program through Philanthropic Ventures Foundation, inviting 10 non-profit agencies to receive \$25,000 in the event there is a disaster, available immediately, to meet basic needs for the first five days.

- For a copy of the Editor's reflections from his visit to the Gulf Coast, visit our website:  
[www.venturesfoundation.org/pubs/index.html](http://www.venturesfoundation.org/pubs/index.html)
- The booklet, *Preparing for and Responding to Emergencies and Natural Disasters – Recommendations for Philanthropic Foundations*, is also available on our website at:  
<http://www.venturesfoundation.org/pubs/other/disaster.pdf>
- For copies of the announcement for PVF's MOU Disaster Response Program, email your request to:  
[info@venturesfoundation.org](mailto:info@venturesfoundation.org)

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## **New Resource Materials for Grantseekers**

Community Foundations of Canada has created an on-line bookstore that offers resources to help grantseekers. Among the resources available are:

- Building Relationships with Local Media
- Community Outreach and Dialogue
- Engaging Youth in Philanthropy
- Neighborhood Grantmaking
- Policy Guidelines and Template Development
- Strengthening Relationships with Professional Advisors

Orders can be made online at [www.community-fcc.ca](http://www.community-fcc.ca), or call 613-236-2664 ext 302, or email [info@community-fcc.ca](mailto:info@community-fcc.ca).

## **Good Reading for Community Foundations:**

“On the Brink of New Promise; the Future of U.S. Community Foundations”  
60 pages, [www.communityphilanthropy.org](http://www.communityphilanthropy.org), 2005

“Good Work Attracts Good Money,” by Steven E. Mayer, *The Chronicle of Philanthropy*, p. 46, December 8, 2005. This is a frank appraisal of a survey of 20 community foundations and how their staffing is delineated; written by a respected senior consultant in the foundation field.

“What We Really Need; Eight Reforms to Make Nonprofits More Accountable and Effective,” Jan Masaoka and Jeanne Bell Peters, *Point of View, Stanford Social Innovation Review* [www.ssireview.com](http://www.ssireview.com); look for Summer 2005 on the “Articles” page.

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## **Resource Reading for Non-Profit Organizations You Serve:**

“Why Your Charity Should Elect to Come Under the 1976 Lobby Law and How to Do It,” Center for Lobbying in the Public Interest, [www.clpi.org](http://www.clpi.org)

“Worry-Free Lobbying for Nonprofits – How to Use the 501(h) Election to Maximum Effectiveness,” Alliance for Justice, [www.allianceforjustice.org](http://www.allianceforjustice.org); go to the “Research and Publications” page

The MBA-Nonprofit Connection

Places MBA students, often with community foundations, for the summer, at \$600/week for 10 weeks  
Alison Davis, Executive Director, <http://mnc.nonprofitoffice.com/>

The following are available from Nonprofits’ Insurance Alliance of California; Tel. 800-359-6422;  
[www.insurancefornonprofits.org](http://www.insurancefornonprofits.org) (go to Resources page and click on Publications):

- “Surviving a Crisis – Practical Strategies for Nonprofit Organizations,” 34 pages.
  - “Lawsuits – What Nonprofit Managers Need to Know About,” 45 pages.
  - “Directors and Officers – Key Facts About Insurance and Legal Liability,” 26 pages.
  - “Arrive Safe and Sound – Tips to Help with Your Nonprofit’s Vehicle Safety Program,” 34 pages.
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## **Comments on PVF’s Grantmaking Consulting Program from Foundation Boards, Staff and Committee Members**

*These comments derive from three- and four-day visits to community foundations, most of which have assets below \$100 million. Respondents were asked to give their frank appraisal of the consulting. If you are interested in arranging a consulting visit for your community foundations, see Program Details on back page.*

“I believe the group gained a new insight into grantmaking. Issues covered were relevant – new ideas were exciting. The day flew. Provided a lot of food for thought. Can’t wait until the next grants meeting to discuss them and see where they are going to take our foundation.”

“Mr. Somerville’s background of pertinent experiences with community foundations and his commendable teaching techniques stimulated me to re-think our procedures.”

“Being a conservative community we need to think more outside the box - thanks. It intrigued me to observe Bill handle really ‘stuck in the mud’ people.”

“Sometimes it can be difficult to look inward. But to have an outside consultant is very beneficial.”

## **BUILDING COMMUNITY FOUNDATIONS**

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### **PVF's Grantmaking Consulting Program**

PVF has provided on-site consulting to over 285 community foundations throughout North America and abroad, working with staff, board members and the community to improve grantmaking and operations.

The PVF consultant's fee is paid for by The David & Lucile Packard Foundation.

Participating community foundations pay \$500 and for travel, meals and lodging.

This program is described at length on PVF's website, <http://www.venturesfoundation.org/consulting/>

**For more information on consulting services, contact PVF President, Bill Somerville at:**

**510-645-1890 (TEL) 510-645-1892 (FAX)**  
**BSOMERVILLE@VENTURESFOUNDATION.ORG**

#### ***The consulting services offered include:***

- **Board Retreats** - 1-2 day facilitation at Board Retreats. Work through issues facing foundations, including growth, community outreach, and grantmaking. Results of retreats include critique of foundation's work, new insights for change, and recommendations for the future.
- **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.
- **Program Officer Training** - 2-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 grantmaking decisions, and engage in role-playing.
- **Performance Review** - Intensive 4-day on-site review of all foundation operations, focusing on grantmaking, Board concerns, administration, staffing, development and fiscal health. Visit is followed by an extensive, written report on findings and recommendations. The days are full and intense with the result being new enthusiasm, new expectations and new ideas.