

DIALOGUE

A PERIODIC NEWSLETTER FOR DEVELOPMENT OFFICERS

Number 1

February 1996

Bill Somerville, Editor

Welcome to the first in a series of newsletters in which we hope to create a dialogue between funders and development professionals. We will try to answer questions that development officers have.

It is interesting to note that often a seminar on finding financial support is called "demystifying" the funding process. We believe there should be no mysteries.

The funder and the development officer need each other. One is looking for good ideas, the other is looking for support for good ideas.

Questions From Development Officers

Some years back, the Executive Director of a large agency was invited to speak at the national conference of the Council on Foundations. She began by saying that she had always wanted to be a presenter to foundation executives with questions she had never thought were appropriate to ask. The following are some of those questions with our best responses.

Q Is it important for the grantee or its board members to personally know the trustees of the corporation or foundation?

A *It can't hurt, but if you actually solicit the help of a trustee for your funding request, you have now gone over the head of the foundation executive and potentially antagonized that person.*

Q How important is it to have wealthy/influential people on our agency's board of directors? This can present an almost insurmountable problem to small agencies.

A *It is axiomatic in development work to involve people of wealth, but funders, for the most part, don't require it, especially of small agencies. What the Editor looks for is passion on the part of board members, i.e., strong desire to make the program work.*

Q How should we respond when we go to a corporation or foundation and they tell us, "Don't send a proposal, just send us a short, one page letter" ?

A *A growing number of foundations are requiring a letter of intent as the first contact. Such a letter is three paragraphs: who are you, what are you proposing to do, what do you need money for? One can include as much addenda as you wish to give background information, etc.*

Editor's note: *The challenge here is how to follow up on a letter of intent. A. Do the same as you would a proposal, i.e. a telephone call.*

Q Do grantors give most to those agencies who have highly skilled grants writers on the staff?

A *The answer is yes, but the question should read, "Do you give more to agencies that submit well thought out proposals?" For example is it concise, descriptive, interesting, does it have a detailed budget that is easily understood, is it well organized, is it sincere?*

Q How do foundations and corporations view those agencies who have development officers working on staff? How about consulting fund raisers? Do they react negatively?

A *The only negative in hiring a development person is when it is evident that you can't afford such a person and it is a gamble to do so.*

Q Do we have a better chance at receiving grants if you, the donor, have professional staffers?

A *It depends; if there is no staff, it is one on one with the donor. If the donor is convinced about the importance/merit of the program, you have the grant. If there is a professional staff, hopefully there will be a more objective procedure, but, nevertheless, the larger the foundation, the more the staff person's recommendation is followed; this gets back to one on one again.*

Q How do corporations and foundations make decisions about grants if they have no staff to research our agency and its needs?

A *Emotion seems to play a large role in decision making by unstaffed funders. Most appeals to small funders try to make the projects sound good. Unfortunately, there isn't much objectivity in this kind of funding.*

Q How do you view agencies that return with second or third proposals?

A *Grantees should always stay in communication with funders; send reports, pictures, invite on-site visits. If this is done, a follow up request is a logical extension of the relationship.*

Q Should granters ask "Who else have you received money from for your project?"

(Someone has to be first to say yes.)

A *Funders ask the question to gain perspective on the request for funds. The Editor often calls other funders to see what their research has turned up regarding an agency. This question is not related to who should fund first.*

Editor's note: *There is a misperception that funders get together and talk each other into funding or not funding a request. Not so.*

Q If we don't hear for months from you what do we do?

A *Don't wait months. Call after a reasonable time past when you sent the proposal and ask "Did you get the proposal? Is it eligible for consideration? Is scheduled for a decision? What more should I send? We invite you to make an on-site visit."*

* * * * * **About the Editor** * * * * *

Bill Somerville is the President of Philanthropic Ventures Foundation in Oakland, California. Previously, he was the Executive Director of the Peninsula Community Foundation in San Mateo, California. In the past four years he has done on-site consulting at over 100 community foundations in the United States and Canada. In order to help foundations improve their grantmaking, he is sponsored in this work by the David and Lucile Packard Foundation.

Mr. Somerville has over 36 years in non-profit and foundation work. For 14 of those years he was seeking funds for the various projects in which he worked. He is the originator of the concept of venture philanthropy wherein one invests the philanthropic dollar vs. giving money away.

Kinds of Grants

Funders have a range of choices in giving out funds.

Negotiated Grant: A request comes in, the funder sees additional possibilities, the funder and applicant see if there is room to incorporate each other's ideas.

Initiative Grant: The funder comes up with an idea and presents it to an agency. Indications are that more funders will be exercising this option.

Editor's note: In 22 years, never has an agency executive indicated that he/she is open to this arrangement.

Discretionary Grant: Money given to a human services staff person with a proven record of achievement to be spent as that person sees fit. This is high trust grantmaking and rarely done. A discretionary grant is when it is justified after the grant, not before.

Continuing Grant: Surprisingly, a growing number of foundations are willing to give grants on a multi year basis. Development persons often refer to this kind of grant as "operating support". Most foundations seem to prefer year-at-a-time grants, i.e. we'll see how you did and then decide on a grant for the next year.

Do you have questions? Are there issues between funders and those seeking funds that concern you? Please feel free to call, write or fax us.

Future issues of Dialogue will cover:

Gift -vs- Grant What is the difference?

Why people give

Where proposals fail

Comments on "Dialogue"

"The grantmaking process is and can be a mystery. Bill Somerville is one of the few grant makers willing to demystify the process. The information he shares will help us all to be better at our jobs."

Darla Atwood
Development Officer
Edgewood Children's Home - San Francisco, CA

"Having benefited from Mr. Somerville's wisdom throughout the years on an informal basis, I am delighted to see that it will now be available in a more tangible manner. Make a file now to save all issues of Dialogue! Thanks Bill."

Shirley Moore
Founder
Project REACH - San Mateo, CA

"A resource that gets fundseekers' questions answered. Thank you for recognizing the need and responding to it."

Maryann Anuziata
Director of Development
John F. Kennedy University - Orinda, CA

"Development/Ideas is a brilliant concept - - the project of "All the questions you wanted to ask but never did because you were shy!" Distinctly, this is a project that would be of value to funders, to NPO executives and staff, and particularly to grantwriters and trustees who have questions of their own.

A modest start, but this will become "accumulated wisdom," each question and answer a treasure building a power-house of hard information over the months and years of great value to those seeking a grant, and to the foundation officer approving the request.

I wish that I had thought of it first!"

Henry A. Rosso, CFRE
Founder
The Fund Raising School - San Rafael, CA

We would like to hear your reactions to Dialogue. Feel free to call, fax or write to us.

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