

DIALOGUE

A PERIODIC NEWSLETTER FOR DEVELOPMENT OFFICERS

Number 4

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Bill Somerville, Editor

Dialogue is an effort to promote interchange between funders and development officers, and was the idea of a development officer. This publication is still in its experimental stage, and the Philanthropic Ventures Foundation is sponsoring this effort to see if it is possible to create a dialogue between foundation and development professionals.

In order to maintain your free subscription of Dialogue, please submit a question related to funder/development officer concerns. Your question assures that you will continue to receive Dialogue. Use the form on the back and fax your question to: (510) 645-1892

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In April, 1995 a Community Non Profit Management and Fundraising Workshop was held in which over 200 people from large and small non profit organizations were invited to submit questions to a panel of funders. Below is a sampling of these questions with our responses:

Q Given these difficult times, wouldn't it be a more sensitive approach by funders to pick a non profit and work with them for a while?

A There is a lot of validity in this question and some foundations are doing this. The William & Flora Hewlett Foundation comes to mind with its multi year funding policy. Even though a foundation won't give a multi year grant, often it is willing to consider a year by year grant. It is advisable for grantees to stay in touch with funders especially more often than once a year.

Q How do minority non profit organizations that serve a particular ethnic group(s) generate resources from mainstream funders, especially those that state they want to fund non profit organizations that serve the "whole" community?

A Almost every non profit has a "niche" of some sort. The job is to show how this focus benefits the community even though it only serves a part of that community. This goes on all the time with youth, aging, disabled programs.

Editor's Note: *I have taken to using the term "special population groups" in order to interact with persons who worry about "separate" programs.*

Q What process do foundations go through when they are developing their proactive agenda - do they consult with non profit organizations - do they seek feed back and input - if yes, how?

A Proactive usually refers to a foundation taking the initiative in approaching potential applicants. An example would be an RFP. One of the most common stimuli for such action is to see what is missing from the applications a funder receives, e.g., no requests dealing with young girls. Many foundations convene meetings of non profit personnel to hear ideas, concerns, and suggestions. There is nothing to stop someone from suggesting to a foundation that it hold such a meeting.

Q How do you approach funders whom you do not know? How do you break the ice without seeming obsequious? How open are funders to having lunch with a new person without feeling as though they are immediately being solicited?

A Ideally, the funding process is based on objectivity, i.e., the worth of the idea, not who knows who. The best approach is straight forward, sincere, and one that does not try to win over someone. Usually the funder is reluctant to meet unless a proposal has been submitted.

Q If I wish to get funding I have to play your game. What are you doing to break this cycle? Are you interested in people, programs, organizations that are unlike you?

A One of the worst things a funder can do is have applicants fill out an application form. It tends to homogenize people and makes the applicant fit the funder's mold rather than allow the applicant to describe the idea in one's own words. The cover page of a proposal is very important in explaining differences and justifying their existence.

Q What percent of requests are funded?

A Many foundations turn down 85% of what comes in. Unfortunately, some funders cite this figure in talks they give and it tends to discourage people. The reality is, if you seriously seek funds you will find them. Thus, it is irrelevant how many requests are funded or turned down.

Q Is there a way for foundations to have a standardized grant application?

A A group of grantors and grantees have developed a *Common Application Form* which the Northern California Grantmakers is putting into final draft. In addition, the Editor has written *Guidelines for Applications* which were developed from reading numerous foundation annual reports and were used over a 17 year period. Copies of both forms are available by calling (510) 645-1890.

Q Is a small Board necessarily a liability?

A No, but a dedicated Board is a necessity. Development officers look at the Board of Directors as a fund raising body, but actually there are three types of Boards: a Board of Approval that rubber stamps the Executive Director's actions, a Board of Direction that micro

manages, and a Board of Directors that sets policy and hires and fires the Executive Director.

Editor's Note: *I tend to feel many Boards are too large (designed to help in fund raising), but they take an inordinate amount of staff time for committee meetings.*

Q Often the guidelines will inform you that the funder will not support fund raising events - why?

A All too often the fund raising event comes out in the red. In a sense, with this kind of request, the funder is being asked to underwrite the risk factor of the event. It seems more appropriate for the agency to assume this responsibility.

Q It is difficult to get funding for planning and development of a project. It seems easier to fund a project that is already up and running. How can one get development money to pay oneself and consultants to get a project started?

A One fundraising school taught people not to say, "Give me money and I'll do good things." Rather, the funder was more interested in what good things have already been done. Foundations do give planning grants, but most often they are to people with a track record. There has to be some indication that you know what you are doing, otherwise it is raw speculation to fund you.

Q Do you look carefully at the percentage of earned vs. contributed income and, if so, how does it affect the grant proposal?

A Yes. Earned income is a measure of the health of an organization. It is ironic to come across agencies that want funding so they can give free services when they should be seeking earned income. This is not realistic nor healthy for the agency.

Q If foundations see a non profit has received money from another local foundation, are they less likely to give money to the non profit?

A No. Funders often ask, "What foundations have given you support?" It is usually to your credit that other funders have given support. The question above also could be asked, "Do funders have a herding instinct in their work?" The answer is no.

Q Once an organization is funded will a foundation ever take back the money if it finds it is not following the foundation's guidelines?

A Grant money is given on the basis of a proposal which in reality is a contract. The grant letter usually states that the grantee will follow the contract. Foundations can huff and puff about taking back the grant but usually this isn't done. Grants can be given in installments and a stop payment can be used if necessary. More seriously, the grantee's reputation is tarnished and future funding is jeopardized.

Comments on Dialogue

Jody Curtis, Executive Editor of Foundation News & Commentary (May/June, 1996) made note of Dialogue in her column "At Issue".

"Dialogue is very informative and educational and will be very helpful to fund raisers, especially minorities who most times do not have access/contacts to informal resource acquisition."

Amoni Hart
Development Officer
Bay Area Black United Fund, Inc.
Oakland CA

"I distributed copies of Dialogue to my staff and have it posted in my office for reference. Being young in the fundraising field, information about the grantmaking process is welcome."

Vincent Robinson
Director of Foundation & Corporate Support
Planned Parenthood - Golden Gate
San Mateo CA

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Fax your question for Dialogue to (510) 645-1892:

Dialogue
Philanthropic Ventures Foundation
1212 Preservation Park Way
Oakland CA 94612

Fax: (510) 645-1892
Tel: (510) 645-1890

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