

DIALOGUE

A Periodic Newsletter for Development Officers

- Bill Somerville, Editor -

Dialogue is published to help improve relations between funders and development officers. *Dialogue* was started at the request of a development officer. Readers are invited to submit questions. *Dialogue* can be received by US post or e-mail.

“The barnacle is confronted with an existential decision about where it’s going to live. Once it decides...it spends the rest of its life with its head cemented to a rock... For a good many of us, it comes to that.”¹

Q: How much does it cost foundations to operate and/or to thoughtfully grant money?

A: Foundations are under few constraints on spending money on themselves. Executive salaries and benefits often go beyond \$500,000 a year. The Lilly Foundation pays over \$1 million a year. Silicon Valley Community Foundation gave a \$300,000 bonus to its executive director last year. Many private foundations pay their Board members. Community foundations do not. Many foundations have such luxurious office space as to say to the public “After us, you come first.” Basically, it does not and should not take a lot of money to run an efficient grantmaking program and there are many examples to illustrate this. For research, the Council on Foundations in Washington D.C. has the Foundation Management Series Vol. I, on administrative costs.

“Yogi Berra says you can observe a lot just by watching.”²

GOOD READING

Notes 1,2,3

Personal Renewal by John Gardner.

This is a 2 1/2 page paper by a very thoughtful man who was a cabinet secretary, a professor, and an activist.

Send us your fax number and we will send you a copy.

Phone: 510 645-1890

Fax: 510 645-1892

Q: How much does it really cost recipients to raise grant money? Is there research I might study?

A: To research foundation and agency costs, the Chronicle of Philanthropy is an excellent source of information, philanthropy.com, the Independent Sector publishes information on operating costs and percentages relating to fund raising. At the Urban Institute there is The Center on Non Profits and the National Center for Charitable Statistics. (202 833-7200).

“Life is the art of drawing without an eraser.”³

LUCILE PACKARD

In one of her last public presentations, Lucile Packard made the statement, “As a donor and trustee, I expect foundation trustees to be ‘wise, willing, warm and witty.’ Wise - to bring special expertise, breadth of experience and knowledge; willing to work with you, to give a lot of time and effort; warm - to we willing to look into little unimportant projects as well as big established projects; witty because a good sense of humor is what makes it all work.”

Q: Do you think a nonprofit should open its meetings to the public? What about city council members serving on nonprofit boards if the nonprofit receives government funds?

A: Both non-profits and foundations tend not to open their meetings to the public. Some day this might change by legislation. Many entities hold an annual public meeting but this begs the issue. Entities that work in the public sector such as foundations and non-profits should be transparent in their operations. Having political officials on boards is fine if they were chosen for their talent, insight, honesty, etc.

Q: It seems the more paper, the better the proposal. What can we do as staff people who desperately need the money?

A: Many foundations use application forms in order “to level the playing field.” The Editor is against this because it does not allow for applicants to tell their story but rather gives them questions to answer. Remember, a proposal for a grant is really a contract. “Give us funding and we will do the following...” You are asking for an investment in your program.

Be succinct, pithy, sincere, and straight forward. Don’t ‘appeal’ for a grant nor go on and on about the problem. The size of the proposal doesn’t matter. It’s the completeness that counts. Read your proposal, look in the mirror and see if that person is convinced. If not, don’t send it.

EFFECTIVE PHILANTHROPY?

The Center for Effective Philanthropy has just issued Indicators of Effectiveness: Understanding and Improving Foundation Performance.

This is a 37 page booklet which is the start of a comprehensive effort to measure foundation performance. Its goal is to stimulate discussion and encourage foundations to improve the impact of their work.

Contact: The Center for Effective Philanthropy
617 956-0800 x113
effectivephilanthropy.org

Q: What do you make of the market downturn and foundation giving?

A: Some foundations have been hit very hard. The Packard Foundation has lost \$10 billion in assets and is laying off 1/2 of its staff. Like many other foundations it is refocusing its grantmaking and eliminating such things as arts funding and operational effectiveness funding.

This is a time of reordering priorities by foundations and it is most important for grantees to stay in touch with funders with upbeat reports on your work and personal contact with program officers.

Q: What are some new dimensions foundations could offer to grantees?

- A:**
- Foundation program officers are experts on who else is funding in their area of concern and they can be helpful on where else you can go for support.
 - Foundations can give small grants for you to hire experts to help you improve your book-keeping, your computer services, your staff training, etc.
 - Foundations often have nonmonetary items to give out e.g. a donor wants to give his car away. Stay in touch with your funders about your total needs.
 - In addition, foundations and their board members are often recycling excellent equipment (merely for the newest model). Stay in touch.

Dialogue

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Oakland CA 94612

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COMMENTS ON *DIALOGUE*

“Just received the ‘Dialogue’ Newsletter and want to thank you for sending it. It’s so clear and refreshing. Thank you for taking the time to teach us how to make a good application, etc.”

Roberta Deis
Manager, Welfare to Work Program
Peninsula Works
Daly City, California