

# DIALOGUE

*A Periodic Newsletter for Development Officers*

- Bill Somerville, Editor -

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*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.

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**Q: How does a public charity differ from a private foundation?**

**A:** The 1969 Tax Reform Act created two categories of philanthropic foundation. A private foundation usually gets its money from one source - an individual or a family. A public charity is required to get its money from 'the public' i.e. various donors. Most public charities are community foundations (there are over 600 of them in the US). A public charity has no pay out requirements, gives a higher tax deduction to donors, and has more latitude in its giving than a private foundation.

**Q: How can individuals get foundation grants?**

**A:** If a private foundation wants to give to an individual (e.g. an artist), it can give the money to a public charity which in turn can give it to the person.

**Q: How does a foundation do international giving?**

**A:** Virtually the same criteria/rules apply for international giving or for domestic giving. The giving must be for a charitable cause, cannot be for influencing legislation, etc. Some private foundations use public charity foundations to do their international giving.

**Q: How does an applicant access donor advise money in a public charity (community foundation)?**

**A:** First, read the foundation's annual report to see if there is mention of donor advise funds and what those funds focus their giving on. Next, ask a program officer at the foundation if he/she can recommend a relevant donor advise fund. Lastly, if you recognize a donor name, consider corresponding directly to the donor.

**Q: What seems to turn on donor advisors to want to give?**

**A:** Reading about a program in the local press tends to stimulate donors. Thus it is very important to get media coverage of your work.

**Q: Do foundations run programs themselves?**

**A:** Sometimes. If no options are open to a new idea that a donor wants to fund, then a foundation can start a pilot project to try out the idea to see if it works. The Editor has done this on several occasions.

**Q: How can we impact public policy?**

**A:** Foundations fund public interest groups, legal service programs, and Centers for (what ever) in an effort to impact public policy.

**Q: Fiscal sponsorship. How do you do it?**

**A:** Foundation Center Regional Collections have lists of agencies that will provide fiscal sponsors. Also, Fiscal Sponsorship - 6 Ways to Do It Right, by Gregory Colvin is a good resource. Order from Study Center Press, 888-281-3757.

**Q: How does a small organization keep abreast of personnel changes in foundations to keep relationships open?**

**A:** The Foundation Center Regional Collections have journals on personnel changes. Check foundation web sites. Also, the Development Executives Roundtable has name change information.

**Q: Are foundations, in these times, staying with the same agencies versus funding newcomers?**

**A:** To a degree, this is true. An example would be the Packard Foundation. There is a hunker down mentality where foundations are trying to continue what they have got going. In a way, this is what people have asked for, continuing funding.

**Q: How interested are foundations in evaluations?**

**A:** A number of foundations (some very large), do not require evaluation reports because they trust that their initial assessment of the grantee guarantees that the program will operate as stated. Nevertheless, it is always wise to report back to the foundation regarding how the money was used and the progress of the program whether it be good or bad. Include pictures.

**Q: How do I create a relationship beyond the letter of intent?**

**A:** Call if there is no response. Invite a site visit, but first you need to submit a request for funds. It is perfectly OK to keep calling until you find out the response to your letter of intent, but don't badger the funder. Do it in good humor.

**Q: How can agencies become known to a funder when they are doing their first inquiry to that foundation?**

**A:** An outstanding thing to do is share your findings from your past work if you think this is relevant to the interests of the funder.

**Q: What else can foundations offer me?**

**A:** They can convene a session to look into an issue of concern to you (and others). Bring important players to the table.  
They can tell you about other possible funders in your field.  
They can offer to let you use them as a reference.

**Q: If trust was broken in the past but there is new staff now, how receptive is a foundation to a new relationship?**

**A:** Is it all new staff? If not, what role did remaining staff play? What changes have been made to prevent a repeat. This is where you need to be sincere, candid, direct, and honest.

**Q: How does corporate giving relate to community relations people in a corporation?**

**A:** A corporate giver in a very large corporation stated, "If community relations recommends your program, we'll give to it." Another corporate giver stated, "If I know someone in the corporation who will vouch for you, it's a done deal."

**Q: What do corporate donors look for in a financial statement?**

**A:** Financial stability, particular ratios such as current assets vis-a-vis current liabilities, the operating budget and salaries, and who are other funders.

The questions in this issue of Dialogue came from a 'Meet the Grantmaker' session held by the Foundation Center Regional Collection in San Francisco.

Readers can submit any questions relating to the private dollar and we will try to get answers.

***Dialogue***

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