

# DIALOGUE

*A Periodic Newsletter for Grantseekers*

- Bill Somerville, Editor -

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*Dialogue* is published by Philanthropic Ventures Foundation to help improve relations between funders and grantseekers at non-profit organizations. *Dialogue* was started at the request of a development officer, and follows a question and answer format. Readers are invited to submit questions. Send your question by email to [bsomerville@venturesfoundation.org](mailto:bsomerville@venturesfoundation.org).

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## **Pressure Points on Professional Philanthropy**

People ask, “How can we have any clout with foundations when we are the supplicants? It is one thing to see what is wrong. It is another to bring about change.”

The Editor is hearing from senior people in the fund-raising and non-profit world of behavior in professional philanthropy that is unacceptable. Examples include: actions which are patronizing or insulting by foundation staff and executives, leading the applicant on and on with increased expectations and then dropping the applicant. “Sometimes I feel I spent \$5,000 worth of effort to get a \$1,000 grant.” Basic things like getting a “yes” or “no” answer on a timely basis do not occur. Sometimes the funder never responds.

It isn’t clear whether such actions are more prevalent now or not. It is clear that they are frequent occurrences.

On the continuum of what is considered to be professional philanthropy, inappropriate behavior clearly falls to one extreme. There is also the issue of quality of service to the clientele – the nonprofit community. Such quality service includes giving grants on a timely basis, or even an expedited basis when the money is needed; being tolerant and open minded about new ideas, new approaches that may have an element of risk; creating accountability requirements that are realistic to the project, not just a format formula where one size fits all.

Quality of service means looking at what is really needed from a grant seeker. Too many applicants are required to “fill-in the forms” and fit into the mold created by the foundation. Sometimes the information required is so much that the effort outweighs the return. “I feel like it’s merely reimbursement for my time in applying.”

There needs to be recognition of the symbiosis between the funder and the applicant. They need one another to exist. The funders need good people doing good work with good ideas.

The applicant needs resources to make their work possible. It is, and should be, a co-equal relationship.

So, how does one bring about change? Listed below are some pressure points regarding professional philanthropy from an insider's perspective – one who has spent 46 years in nonprofit and foundation work; who went to foundations for 14 years seeking funds and who has directed giving for 32 years.

1. On-site inspection of the foundation's tax returns<sup>1</sup>. These materials are required by law to be immediately available on request. The law is now firm on this and mandates a daily fine if the funder reneges. From such materials, the researcher can appraise what a foundation spends on itself and spends on top salaries as well as what the foundation claims as its accomplishment over the past year<sup>2</sup>.
2. Hold a forum or series of forums on professional philanthropy and how it is serving the community. Forum topics could include: responsiveness, willingness to venture, measuring significance, and determining a focus in giving by foundations. This type of forum can be sponsored by a state legislator, which would help in publicizing the findings.
3. Have a series on philanthropy in the media (i.e. newspapers). This would include interviews with foundation executives and investigative journalists giving the public a full picture.
4. Send a questionnaire to foundations in a given geographical area asking such things as: Have they had any failures in grants made? How do they measure significance? What does it take for them to feel the grantee was accountable in using the foundation's money? The questionnaire could be sent by the National Committee For Responsible Philanthropy.
5. Publicize in a report or brochure the statistics on giving by foundations: How much goes to the poor? How much benefits the rich? How much of philanthropy is repetitive funding of the same thing? Is there a dynamic element in philanthropic giving? What are the basic facts of professional giving for a particular geographic area?

Will these actions bring change? They will certainly create awareness and the basis for change. Hopefully, they will create a dialogue so that reasonable people can more effectively interact.

If readers have comments about personal experiences or if they have ideas to add to the above, they are invited to send their comments to [info@venturesfoundation.org](mailto:info@venturesfoundation.org)

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<sup>1</sup> These include Form 990 (Federal Return) and Form 199 (State Return – California)

<sup>2</sup> Form 990 Part III and VIII

Many Regional Associations of Grantmakers (RAGs) are developing Statements of Effectiveness and Accountability Principles and Practices. There is a genuine effort to increase the quality of work in philanthropy.

Foundations that wish to belong to a RAG must sign on as agreeing to the principles and practices. The sanction for misbehavior by a funder is to be put on probation or demitted from the association.

Such Principles and Practices should be available to the public by the RAG. Non profit personnel can be aware of what foundations are defining as quality work and the personnel should make suggestions if they see voids in the publication.

Non profit personnel should also make their complaints of mistreatment known to the RAG in their area. To find out how to contact a RAG, check the Foundation Center website at: [www.foundationcenter.org](http://www.foundationcenter.org)

Issues that RAGs are concerned about related to effectiveness and accountability:

- Clarity of purpose
- Responsible stewardship
- Transparency and responsiveness
- Maintain respectful, constructive relationships
- Reflect diversity
- Contribute to a just society
- Imagination, innovation and collaboration
- Commitment to ongoing learning
- Strengthening philanthropy
- Respecting donor intent

The common values inherent above are integrity, openness, trust, candor, transparency, stewardship, accountability, fairness, humility, and respect.

## **New Philanthropy**

The comments above are in response to feedback from nonprofit development professionals on February 17, 2006, when PVF Executive Director Bill Somerville presented ideas on “New Philanthropy” to members of the Association of Fundraising Professionals (AFP).

The presentation is available in its entirety at:  
[www.venturesfoundation.org/publications](http://www.venturesfoundation.org/publications)

## *Dialogue*

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### **ABOUT THE EDITOR**



**Bill Somerville** has been in non-profit and philanthropic work for 46 years. He was the director of a community foundation for 17 years, and in 1991 founded Philanthropic Ventures Foundation where he serves as President and Executive Director. PVF is a demonstration foundation practicing unique forms of grantmaking and conducting initiative philanthropy. He has consulted at over 290 community foundations in the United States, Canada, and abroad, on creative grantmaking and foundation operations. In addition to *Dialogue*, he publishes *Building Community Foundations*, which is distributed to all community foundations. His primary interest is in the creative and significant use of the philanthropic dollar.