

BUILDING COMMUNITY CONNECTIONS

a resource for
family foundations

For more information on **Changemakers**, community-based philanthropy, or for further resources geared towards family foundations, please contact us or visit our website. We would love to hear from you!



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INTRODUCTION

At **Changemakers**, we recognize what significant potential family foundations present for the realization of social and environmental justice. In reaching out to family foundations, our goals are two-fold:

- 1.) to promote philanthropy working towards social and environmental justice by examining and addressing the root causes of problems, and
- 2.) to encourage community-based giving practices and/or the use of community-based philanthropic institutions as intermediary vehicles for giving.



What do we mean by community-based giving?

In keeping with a vision based on democratic values, community-based decision-making bodies are representative of the communities served by the grantmaking. Community activists participate in governance and grantmaking decisions, along with funders.



Many staff and board members of small foundations feel daunted by their tasks as grantmakers and community partners. Understanding the complexity of issues, populations, or neighborhoods they want to address through their grantmaking can be difficult. Some funders have discovered that their impact and satisfaction can be increased by connecting to and learning from the people who know most about complex social and environmental problems and solutions: the people “on the ground” in the communities most adversely affected by these problems.

A grantmaker’s interest in building community connections may be motivated by a desire to learn more about a particular issue or constituency. A funder could be motivated by a belief in the wisdom of community leaders or a commitment to foundation accountability and democratic giving practices. A foundation may also be interested in saving time and money on administrative and staff costs by partnering with community-based funding institutions.

No matter what the motivation is, private family foundations have a range of opportunities to deepen their connections to the communities they serve, as well as to involve constituents in their governance structure, thereby increasing their effectiveness and impact. This booklet, *Building Community Connections*, outlines six ways to partner with communities and their representatives.

1. JOIN A LEARNING COMMUNITY OR DONOR CIRCLE

WHAT: By contributing a set amount to a funding pool, a donor can join with a circle of other donors to learn about a particular issue and work together to make decisions about how to allocate the funds. Often, donor circles are advised by community members, experts on an issue, and by the staff of the organization hosting the donor circle.

WHY:

- Develop relationships with other funders interested in similar areas
- Learn directly from community experts
- Participate in coordinated site visits and other learning opportunities
- Gain collaborative grantmaking experience

After a year or more as part of a donor circle, staff or trustees will gain a deeper understanding of the area they're supporting, and will have established relationships with other funders with similar interests. Additionally, donor circle participants will have met and visited organizations and leaders working on that issue.

EXAMPLE: The Gabilan Foundation became interested in funding in the area of women's economic empowerment in the San Francisco Bay Area. The Foundation sent a family member and close associate to participate in the Economic Development and Justice (EDJe) Fund at The Women's Foundation located San Francisco. The EDJe Fund is a circle of donors that fund innovative community-led economic development and economic justice projects that focus on low-income women. The Women's Foundation Staff provides learning opportunities for the circle members to meet with community experts, go on site visits to prospective grantee organizations, and engage in peer learning with other circle member.

2. ESTABLISH A COMMUNITY-BASED GRANTS REVIEW COMMITTEE

WHAT: Develop a committee of community experts to review proposals and make recommendations to the board of directors.

WHY:

- Enhance board's ability to make sound funding decisions
- Practice respectful and accessible funding practices
- Increase community capacity by providing leadership experience
- Learn directly from community experts

EXAMPLE: Upon establishing the Access Strategies Fund, a family foundation, the founders conducted extensive research on the communities and issues they planned to address—namely increasing participation in democratic processes among low income people and people of color. The foundation hired staff and consultants from the communities they planned to serve. They created a task force of community advisors to help craft the mission and guidelines. They also created an advisory committee that reads and advises on proposals, and arranges for site visits.



3. ADD COMMUNITY LEADERS TO YOUR BOARD

WHAT: Invite people with expertise in your grantmaking areas to join as voting members of the board.

WHY:

- Benefit from expertise of community leaders
- Enhance board's ability to make sound funding decisions
- Improve family foundation dynamics
- Ensure that foundation policies and practices are accountable to constituents

EXAMPLE: The Needmor Fund was established as a family foundation in 1956. Three generations of family members have been involved with the foundation. In the early 1990's, the foundation decided to change its board composition, inviting non-family members to become full voting members of the board. Currently 6 of the foundation's 12 board members are not from the family. While family board members are knowledgeable and active in their own right, the addition of community leaders deepens the foundation's community connections, responsiveness and ability to better serve its grantees.



4. PARTNER WITH PUBLIC FOUNDATION ON AN ISSUE AREA (DONOR ADVISED FUNDS)

WHAT: Designate a portion of assets to establish a Donor Advised Fund through a public foundation with expertise on a particular issue, geographic area, or constituency. The public foundation assumes administrative functions ranging from issuing RFPs, reviewing proposals, arranging site visits, creating dockets to making grants.

WHY:

- Administrative burden relieved
- Benefit from true experts who can advise, allocate, and educate
- Ensure cultural sensitivity
- Contribution toward DAF can be counted toward meeting required payout, allowing re-granting to happen over time or in smaller amounts

EXAMPLE: Kalliopeia Foundation, established in 1997, recently decided to expand its grantmaking into a new area. The Foundation wanted to support programs initiated within Native American communities serving Native American youth in the area of cultural preservation. After doing research on the issues and organizations that would fit the grantmaking focus, the foundation realized that to do this type of grantmaking well, it would take additional staff and expertise that was not currently available. Kalliopeia established a Donor Advised Fund (DAF) through the First Nations Development Institute, which provided both administrative and culturally-appropriate program support to this new focus area. Kalliopeia is able to make anonymous grants through this DAF, acquiring knowledge and experience that will eventually enable the foundation to manage this grantmaking area itself.

5. ADMINISTER THROUGH A COMMUNITY-BASED PUBLIC FOUNDATION

WHAT: A public foundation provides the management and administration for private foundation assets. Family Foundation retains decision-making power and control over assets. The public foundation charges an administrative fee for its services and may keep the interest earned on funds. The public foundation can take care of issuing RFPs, organizing site visits, developing dockets, coordinating grant review meetings, etc.

WHY:

- Retain control of foundation assets (this is not DAF)
- Benefit from expertise of a community-based institution
- Have administrative and programmatic work taken care of by another institution
- No need for family foundation staff or administrator
- PF takes care of issuing RFP, organizing site visits, coordinating grant review meetings, etc.

EXAMPLE: The Phoebus Fund, a family foundation established from an estate, had grown its endowment and made grants using the interest earned. The foundation's mission was focused in Philadelphia. Eventually, there were no family members left in the Philadelphia area with the time and expertise to manage the foundation. The Phoebus Fund developed a relationship with Bread and Roses Community Fund, which established the Phoebus Criminal Justice Initiative. This Initiative is the only activity of the foundation. For a fee, Bread and Roses convenes grantees, organizes site visits, arranges grant review meetings, and provides all administrative support. Bread and Roses also provided two community experts to serve as advisors with voting rights on grant decisions.

6. TURN OVER YOUR FOUNDATION'S ASSETS TO A COMMUNITY-LED INSTITUTION

WHAT: Dissolve the Family Foundation by turning over assets to a community-led institution or by providing the funds to establish a new community-based foundation. With all the other models that involve working with a public foundation, the family foundation retains significant control over decisions. With this model, the foundation gives up its power and control and places it in the hands of its community constituents.

WHY:

- Shift the power dynamics in philanthropy
- Encourage community control of assets and decisions about asset allocation
- Honor the wisdom of the community being served
- Relieve family members from responsibilities of running a foundation

EXAMPLE: After 10 years of funding community organizing in the rural south, the president and board chair of the Bert and Mary Meyer Foundation (BAMM) proposed turning the foundation's assets over to the people they recognized as the real experts, their grantee partners. Through a process that took several years, a group of 18 grantees established a new public foundation in 1999, The Southern Partners Fund, with a commitment to raise \$5 million in assets that would be matched one-to-one by BAMM until the private foundation's assets were completely distributed. Governed by the grantees themselves, the Southern Partners Fund's mission is to fund and build the capacity of community-based organizations and leaders committed to advancing social, economic and environmental justice across an eleven-state region in the rural south.