

Providing Technical Assistance to Community Foundations: Lessons Learned

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Introduction to Lessons Learned Series

Michigan has been intentional about growing community foundations since the late 1980's. Local efforts have been supported by the Council of Michigan Foundations with funding from the W.K. Kellogg Foundation. FERA (Formative Evaluation Research Associates), an independent evaluation group, has documented growth, identified supports and obstacles, and developed lessons learned across multiple statewide initiatives designed to support community foundations. This document is part of a larger set of lessons learned about community foundation growth. To learn more about a conceptual framework and methods for developing lessons learned see Evaluation Overview in "Introduction" on www.GrowingCF.org.

Background

The Council of Michigan Foundations (CMF) provides a wide range of technical assistance to community foundations. Support from the W.K. Kellogg Foundation allowed CMF to develop and try a broader range of technical assistance content and delivery methods. In 1988, CMF offered an annual conference for all its members; on-site visits to community foundations, library resources, assistance with legal issues and a FAX-on-demand service. In 1991 a technical assistance needs assessment was conducted. Based on the feedback from this assessment, technical assistance to the field was stratified so that different learning opportunities were available to community foundation staff with different levels of experience and to board members. By 2003, technical assistance also included on-site mentoring, specialized workshops, listservs, annual retreats for community foundation chief executive officers (CEO's) and program officers, and a Website offering access to a wide array of publications, information and tools.

In 1988, when The Michigan Community Foundations' Youth Project (MCFYP) began, CMF was providing technical assistance to:

- ◆ A group of 33 CEO's who knew each other. Now there are 65 CEO's. At the 2003 CEO annual retreat most of the CEO's in the room had been in their position less than three years. This has huge implications for the types and levels of technical assistance needed by CEO's.
- ◆ One program officer. Now there are 52 program officers.
- ◆ A less diverse set of specialized community foundation staff. As community foundations have grown they have added financial, communications and marketing specialists, and fund development staff. Small community foundation CEO's still are responsible for all of these functions.
- ◆ Board members from 33 community foundation. Now there are 65 with board members needing training opportunities.
- ◆ A large number of community foundations (n=29) with assets under \$5 million. In 1995 the pool of small community foundations increased to 35 and by 2003 it had dropped to only 22.
- ◆ Only two community foundations with \$20 million – \$100 million in assets. In 1995 there were eight, with three having over \$100 million. In 2003 there were 13 community foundations with assets ranging from \$20 million to over \$100 million.
- ◆ One lead/affiliate relationship. Now there are 16 lead foundations and 37 affiliates.
- ◆ Community foundations located primarily in Michigan's Lower Peninsula. Now there are seven community foundations and 11 geographic component fund affiliates located in the Upper Peninsula. This area is highly rural and is culturally, economically, and historically separate from the Lower Peninsula. It is also geographically distant. Driving time from Michigan's Capitol to the western end of the Upper Peninsula is about 10 hours.
- ◆ In 1988 Michigan community foundations held just over \$233 million (\$233,380,117) in assets and had made almost \$19 Million (\$18,841,874) that year in grants. By 2002, they collectively held just over \$1.5 Billion (\$1,564,990,808.00) in assets and had made \$94 Million (\$94,082,625) that year in grants.
- ◆ One statewide initiative that involved partnerships with community foundations. By 2002, the number of partnerships had grown to five with several requiring the community foundation to serve in a convener/catalyst role.

Changes affecting the community foundation field include:

- ◆ Competition from financial services organizations for charitable dollars;
- ◆ A dramatic drop in the stock market has negatively affected community foundations' assets available for grantmaking;

- ◆ Increased focus on accountability of charitable and other nonprofit institutions;
- ◆ New faces in philanthropy, including youth grantmakers and new donors;
- ◆ New technology making possible giving and other philanthropic activities on-line;
- ◆ Increased emphasis on evaluation and documenting outcomes;
- ◆ A move toward developing national standards for community foundations;
- ◆ Development of academic programs in non-profit management and philanthropy providing a pool of professionally trained individuals who might be available to serve as community foundation staff; and
- ◆ A group of over 8,000 Michigan youth grantmakers with community foundation experience. We know that some are pursuing careers in philanthropy and non-profit management. Some have expressed interest in becoming staff members (CEO's) of their home community foundations. A few are already serving as board members.

Implications of the above changes for technical assistance to community foundations are:

- ◆ Diversity in the types of training and experience that community foundation staff members bring to the table. This diversity encompasses years of hands-on experience with community foundation work, levels of professional training in non-profit management and other areas of expertise, and depth of existing relationships within the community.
- ◆ Need for community foundation staff to have knowledge, skills and expertise that will allow them to operate professionally in a highly competitive environment and to be good stewards of community resources.
- ◆ Importance of community foundation staff being computer literate.
- ◆ Value of the community foundation field developing useful on-line tools that support their philanthropic goals.
- ◆ Importance of community foundation board members being well oriented and having the necessary skills to serve rapidly growing community foundations.

Types of Technical Assistance

Over the years, CMF has responded to the changes just described by providing diverse technical assistance and by experimenting with new delivery methods, including:

- ◆ **Council of Michigan Foundation's annual conference.** Community foundation staff and board members may attend an annual grantmakers conference also attended by private (independent and family) and corporate grantmakers. Community foundations learn about national trends, new tools, evaluation and innovations in grantmaking, among other things.

- ◆ **Chief Executive Officers’ annual retreat and listserv.** This annual retreat provides networking and learning opportunities, including small group discussions and plenary speakers on key issues impacting community foundation CEO’s. The CEO listserv offers CEO’s an opportunity to create a learning community where practical “how to” experience is shared among peers.
- ◆ **Program Officers annual retreats and listserv.** Presentations on proactive grantmaking, specific content areas (e.g., environment, education), evaluation and other relevant topics are offered. Facilitated discussions occur on a wide range of topics that are requested by program officers. A program officer’s listserv is a valuable way for program officers to network, share information and ask questions of their colleagues. It is often used by program officers to obtain examples of and sample documents for how other community foundations have implemented a particular aspect of grantmaking.
- ◆ **Leadership Academy.** This five-day training for new community foundation staff and trustees covers content related to community foundation governance, administration and finance, fund development, grantmaking, communication and marketing, and convener and leadership roles. Originally held in three separate regions of the state as a teleconference, the Academy is now available through the Council on Foundations as a 10 part series of videotapes and accompanying three-ring binders.
- ◆ **Special trainings for board members.** In 1997 CMF piloted a series of conference call board training opportunities facilitated by BoardSource, Inc.
- ◆ **Seminars on planned giving.** A national expert on planned giving offered seminars on planned giving in 1999 and again in 2000 for community foundation staff and board members. The sessions were conducted in lay language with enough technical explanations to help participants to be comfortable talking to potential donors and professional advisors (e.g., attorneys, accountants, trust officers, planners) about planned giving. CD-ROMs produced by the national expert were distributed in 2003 to community foundations for use with local board training.
- ◆ **Financial investment services.** For three-years (1998-2001), CMF contracted with a national financial advisory firm to provide technical assistance to community foundations with less than \$20 million in assets. Technical assistance included: 1) professional advice on fiduciary matters including asset allocation, investment and spending policies; 2) education on the role of investment committee and investment managers; 3) recommendations on proper investment structure and on investment managers; 4) annual performance reports with appropriate benchmarks; and 5) educational opportunities and resource materials to help community foundations make informed decisions about spending policies in a depressed market economy. The technical assistance just described was delivered through multiple venues including: site visits, telephone conference calls, publications and sample documents. For more information, see *Assisting*

Community Foundations with Financial Stewardship: Lessons Learned found in “Assisting Community Foundations” on www.GrowingCF.org.

- ◆ **Professional development mini-grants.** Mini-grants have been available to smaller community foundations and geographic community funds (affiliates). Most of the mini-grants have been used to subsidize staff and trustee attendance at CMF’s annual conference, and the CEO and program officer’s retreats.
- ◆ **Affiliation mini-grants.** Three-year mini-grants were offered to lead foundations willing to establish a relationship with a geographic component fund affiliate. The main purpose of these mini-grants was to support affiliation by helping to defer the lead foundation’s costs. Lead community foundations received \$3,000 in Year I, \$2,000 in Year II and \$1,000 in the final year for this purpose.
- ◆ **On-site mentoring:** Consultants, experienced community foundation practitioners now known as “range riders,” travel to community foundations to meet with community foundation staff and board members and assist them with strategic planning, fund development, and other growth-related issues.
- ◆ **Technology consultant.** A consultant, knowledgeable about community foundation accounting and financial operations and FIMS, has been available to support community foundations with their computer related needs. On-site, telephone, and on-line help were offered. The consultant supports effective implementation of FIMS especially in smaller foundations. For more information about the computer project, see *Community Foundation Administration and Finance: Lessons Learned About Technology* found in “Strengthening Existing Community Foundations” on www.GrowingCF.org.
- ◆ **Legal assistance.** A law firm has been retained to answer technical legal questions related to starting a community foundation, establishing a fund, donor giving, state regulations, and grantmaking and other issues specific to community foundations’ work. For example, the firm has provided sample language for fund agreements, policies and legal reports.
- ◆ **Information Services.** CMF houses an extensive library of philanthropic resources, including manuals, books, audio and video cassettes, periodical publications, newsletters, annual reports, news clippings and sample documents for foundations. CMF staff use these resources to provide timely and critical information to member foundations’ staff, trustees and officers. As part of this integrated information approach, CMF mounted a Web site in the fall of 1995. The digital library at CMF consists of an electronic card catalog, and an image database of sample community foundation documents. These resources as well as downloadable publications are now available via the CMF Web site.
- ◆ **Research and publications.** CMF has commissioned research on topics of interest to community foundations. Research-based publications are distributed to the field along with other resources including: issues papers,

guidelines, how-to documents, evaluation findings, lessons learned, practical tools and sample documents.

Lessons Learned

These lessons have been learned over more than a decade of providing technical assistance to community foundations throughout the state of Michigan. Over the years, they have been used to strengthen the technical assistance provided to community foundations by CMF. What we have learned is based on constant evaluative feedback from community foundations receiving and using different forms of technical assistance. For related information, see *Assisting Community Foundations with Financial Stewardship: Lessons Learned* and *Strategies to Develop Sustainable Community Foundations: Lessons Learned* found in “Assisting Community Foundations” on www.GrowingCF.org.

Technical assistance needs to be multi-faceted to meet the diversity of needs. It should be tailored to the levels of experience of staff and trustees/board members (e.g., beginning, intermediate and advanced) and to different-sized foundations. Reaching board members is a challenge, as is involving part-time volunteer staff, because of their other time commitments. A variety of methods need to be used, including on-site consulting, seminars, retreats, conferences, telephone conferencing, video trainings, etc.

Networking and information sharing opportunities are powerful tools for building capacity. Annual conferences, listservs, separate retreats for executive directors and program officers, computer user groups, regular written communications, access to sample documents and a large multi-media lending library, and a Web site are some of the opportunities that Michigan has offered to community foundations. Community foundation staff valued these networking activities as much as the structured seminars. They provide different types of opportunities for learning and support.

Make technical assistance an integral part of any initiative designed to stimulate community foundation growth. The technical assistance, training and mini-grant components of the challenge grant have been critical to the goal of developing strong, sustainable community foundations in Michigan. These components provide community foundations with needed information, professional development

opportunities, legal resources, problem solving assistance, and encouragement. New and emerging community foundations needed a lot of “hand holding” and encouragement as well as specific technical assistance in fundraising strategies, board selection and development, accounting procedures, strategic planning and legal issues. Rapidly growing community foundations had similar needs for encouragement and technical assistance as they experienced the growing pains related to entering a different organizational stage.

Tailor technical assistance to the range of needs of community foundations of different sizes. On-site consultations have provided additional flexibility to meet foundations’ specific needs. CMF conducted a state-wide needs assessment to identify the range of community foundation technical assistance needs. Workshops, conferences, retreats and other training opportunities (e.g., teleconferencing) were developed to meet the varying needs of highly experienced to brand-new community foundation staff and board members.

Technical assistance must be tailored to meet the skill and knowledge needs of staff members with a broad range of experience. Provide enough information about the training to allow people to self select into the appropriate level. Don’t assume that all trainings can be tiered by community foundation size. Community foundation staff members may have very different levels of expertise and experience regardless of the size of the foundation they staff. It is possible to have a small community foundation CEO with a great deal of experience and a new, relatively inexperienced CEO of a large, established foundation. **As the field grew it became very clear that basic, intermediate and advanced training opportunities had to be made available.** Trainings with both very experienced and inexperienced community foundation staff in the room were frustrating for everyone. Some of the material was too complex for newer staff; they still needed answers to very basic questions. More experienced staff, which had by then patiently answered these questions for years, were frustrated because they needed to learn the more advanced material.

Providing mini-grants for rapidly growing community foundations with tight administrative budgets allows them to obtain the types of training they need to

efficiently and effectively move their foundations to the next level of growth. Rapidly growing community foundations' administrative, development and staffing needs often exceeded available administrative dollars for staff training. This was true for community foundations with varying levels of assets, not just small foundations. Mini-grants allowed community foundations to obtain support for trustee training, specific administrative assistance, and development needs. The mini-grants have been especially important in the last few years as the depressed market has resulted in shrinking operating budgets from community foundations.

Developing affiliate relationships is encouraged by providing mini-grants to defray the lead foundation's administrative costs. Mini-grants to lead foundations helped to defray, but did not cover, administrative costs of maintaining an affiliate relationship.

Access to legal resources that can answer questions for the entire field can be a cost-effective, valuable service that leads to consistent practice across the field. CMF retained a legal firm to clarify legal issues related to community foundation affiliate models, spending policies, etc. and to develop sample legal documents that made it easier and more cost effective to start a community foundation, to develop operating procedures and to accept a broad range of gifts.

Providing a computer consultant knowledgeable about community foundation accounting and financial operations, and FIMS (Foundation Information Management System software) supports effective implementation of FIMS especially in smaller foundations. Unless a foundation has someone on staff with extensive community foundation and computerized accounting experience, it is unlikely that they will be able to implement FIMS without some outside assistance.

Technical assistance available in between training sessions supports timely problem solving and effective FIMS use. In the computer project's start-up phase the consultant was often assisting small community foundations with basic accounting concepts and set up when secretarial staff without accounting backgrounds were trying to set up and use FIMS. Assistance included answering a question, help setting up computer equipment and installing FIMS.

Forms for technical assistance delivery need to meet the needs and constraints of the audiences they are designed to serve. Board members rarely attended workshops, even when offered regionally. We discovered that it was difficult for board members to commit a day to attend a seminar. CMF shifted to conference calls held at multiple times. Participation in these calls was much higher than the on-site seminars. Board members thought they were valuable. They became an effective vehicle for providing learning opportunities for board members.

Providing educational opportunities to learn about planned giving for community foundation staff and board members can lead to increased board involvement in fund development. After the W.K. Kellogg Foundation challenge ended, small and new community foundations needed assistance to refocus fund development activities on planned giving. Staff and board members had been focused on raising dollars to meet the challenge and were not comfortable talking about planned gifts with potential donors.

Technology can provide cost-effective, time-effective methods for technical assistance delivery, but cannot replace what is gained from face-to-face meetings and networking opportunities. Carefully assess the fit between the method and the purpose. Michigan community foundations all acquired computers at about the same time through the Community Foundation Computer Project. As a result, CMF could explore different technology-based methods for providing technical assistance knowing that the entire field would have access. Listservs, emails, and telephone conference calls combined with PowerPoint® presentations that everyone can simultaneously view on their computer screens have all been highly effective way of communicating with and providing learning opportunities to a large number of individuals. Some committee work is now done via conference call. Face-to-face opportunities for networking and discussing issues are still valued and considered necessary.

On-going feedback through needs assessments and/or evaluation about the value of the technical assistance and its delivery methods is important. On-going feedback from the field allowed CMF to adjust its technical assistance delivery methods and content to meet the needs of the field. CMF and FERA, the initiative's outside

evaluator, worked together closely to ensure that data was collected and reported in such a way that it could be integrated into CMF's planning process for the annual plan of work.

Offer CEO's in foundations without program officers the same types of information and technical assistance opportunities as those received by program officers but in different venues. Small community foundations (with less than \$5 million in assets) generally do not have a program officer. CEO's value the types of technical assistance offered to the program officers of the larger foundations. CMF offers CEO's grantmaking-related sessions at their annual retreat and at the annual CMF conference. CEO's also have access to publications and sample documents. They connect with other CEO's through the CEO listserv.

Summary

It is not enough for community foundations to have increased assets. They also need effective boards, skilled staff, organizational structures that support their grantmaking, donor service and leadership activities, sound investment practices, evaluation tools and processes to help them become learning organizations, and adequate technology with staff trained in its use.

Providing technical assistance is a critical component of a challenge grant. After the challenge grant ends, "enhanced technical assistance," focused specifically at building core capacities and sustainability of the most vulnerable community foundations, is even more critical.