

DIALOGUE

A PERIODIC NEWSLETTER FOR DEVELOPMENT OFFICERS

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The purpose of this bulletin is to try to create a dialogue between funders and development officers. It's hard. For one reason or another people do not respond and consequently there is no dialogue. My conclusion can only be that maybe a dialogue isn't needed.

This bulletin was the idea of a development officer, one who had been invited by the Editor to be an "intern" at the Foundation he manages. It was her opportunity to see the inner workings of a foundation, have free access to any files, participate in the process of grantmaking, observe the work of and discuss issues with the Foundation president who has 36 years of experience in non profit and foundation work.

So far we have invited, requested, implored, threatened in an effort to get the thoughts of development people. So far we have heard from ten. This is interesting because there is a perceived stiff competition for the private dollar but the Editor doesn't see it as such. Outstanding agencies and agency personnel stand out. It is as simple as that. Outstanding proposals for funding stand out. How?

This is what the dialogue is about: to tune one's thinking to be original, sincere, creative, thoughtful, direct, relevant (the readers should add some adjectives of their own). The dialogue is not about: game playing, getting a grant on who you know rather than on the worth of your idea, depicting a calamity in hopes of a grant instead of relating your idea of what you want to have happen.

After consulting for three days each at over 120 foundations, the Editor is impressed with the minimal impact of the philanthropic dollar on social issues. The fact is we are not very good at solving social problems. We need to do better, much better. We need the best thinking people we can find. We need an energy outlay the likes of which we have never thought possible. We need to work together. That is what a dialogue is about!

WHY DO PEOPLE GIVE?

There seem to be seven major reasons why individuals give philanthropic funds and it is important to understand them if one wants to solicit money from people:

1. *Emotion.* My wife died in that hospital. My husband died of cancer. Thus there is a motivation to give to these two entities, i.e. the hospital, American Cancer Society.
2. *It sounds good.* The job of the public relations person is to make programs sound good and all mail solicitations depend on this. Success is a factor in making something sound good.
3. *Recommendation.* There is an axiom in philanthropy, "people give to people, they don't give to things." When you trust someone and they recommend a charity, you give to it.
4. *Prestige.* People enjoy recognition for their giving.
5. *Tax Consideration.* Donors usually get a tax deduction for their philanthropic giving and for persons who are wealthy this factor is significant.
6. *Coercion.* "Last year we had 100% contributions by the employees and we hope for the same this year." "When we pass the basket we hope everyone will be generous in their support." Mild and not so mild encouragement for the donor.
7. *Default.* There is nothing more appealing, so why not give to this?

An important point to understand is the difference between soliciting funds from an individual and soliciting funds from an institution, such as a foundation. None of the aforementioned seven reasons apply (or should apply) to institutional givers. It is not their money. They are professional staff. Their job is to be objective.

It is interesting to note that none of the seven reasons refers to the need for funds by the charity or the worth of the charity to deserve support. Thus, individual giving deals more in gifts not grants.

QUESTIONS FROM READERS

(Note: There are 429 people who get Dialogue located in 25 states.)

Q: Is there a foundation rule of thumb for adding overhead (or indirect) costs to a project budget?

A: No. That is, no rule of thumb that generally applies. Each foundation seems to be different on this. The Editor encourages applicants to list other costs rather than group them under the heading overhead. For example, if 5% of the Executive Director's time is needed for a project to be funded, list it that way.

Q: Should you call a funder whenever you get a turn down?

A: This answer was given by the author of the above question. Yes. Find out why you were turned down. Your agency may not fit their guidelines or maybe there's no money to give out for 3 years. Always call. If you get a grant, a phone call is even more important to say, "thank you."

Editor's Response. I get calls from people who are turned down, and I listen for the tone and sincerity of the caller. If the person is angry and defensive, I give the rubber stamp, but honest, answer that we don't have enough money to fund everything that comes in. If the person is genuine in asking how the proposal was received, I will elaborate in detail to the satisfaction of the caller.

Note: *The most recent call from a person who was not selected in an artistic competition included a threat to go to court and the media.*

Q: With growing demands for funding and shrinking resources - what are some of the more creative funding coalitions you know of? And their approaches?

A: Foundations in the San Francisco Bay Area often create "task forces" to consider collective approaches to funding in a particular issue. This is done under the local Regional Association of Grantmakers. Such topics as homelessness, AIDS, emergency loans, art loans, national community service, summer youth activity, and conversion from military to civilian are approached collectively. Consultants are hired, a pool of money is created, and grants are awarded.

The homeless task force, which decided to disband, has released a report "What We've Learned 1989-1995", March 1996 by Walker & Associates, Northern California Grantmakers (415) 777-5761. The report is frank and candid on what worked and what didn't work.

Q: Many foundations have had a policy of not funding any agency that was receiving United Way funding. Are these foundations making any changes in regard to this policy--in view of the United Way's new funding system? What is the best approach to one of these foundations?

A: In the San Francisco Bay Area the United Way has dropped its allocation system of giving out money for a system that requires proposals to request grants. The United Way has adopted the foundation process for giving out money. As a result, many agencies were dropped or seriously cut back in the funds they received from the United Way. Consequently, it would not be surprising if foundations started treating the United Way as just another funder, i.e. a colleague in the field. It would be worthwhile to go back to the original foundations and inquire if they have changed their policy regarding United Way funding.

COMMENTS ON DIALOGUE

"I find the question and answers quite helpful - some confirming what I have known or thought I knew and some providing new information. Dialogue is an excellent idea and I hope it continues to grow and develop."

**Harlan Dalluge
Fund Developer
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Fax your questions for Dialogue to (510) 645-1892:

From Henry Rosso, CFRE: *"Bill, a number of people have stated to me that they don't want to submit a question because their questions are all dumb questions and they are ashamed to submit them. How about a "What's A Dumb Question?" Competition? Ask for examples of dumb questions that you will answer.*

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