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**GMA FOUNDATIONS**

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# Orientation Manual

FOR FOUNDATION TRUSTEES AND BOARD MEMBERS

GMA FOUNDATIONS  
77 Summer Street, Suite 800  
Boston, Massachusetts 02110-1006  
Phone: 617-426-7080  
Fax: 617-426-7087

## To Our Clients and Friends

GMA Foundations is pleased to present our *Orientation Manual for Foundation Trustees and Board Members*. This publication concisely describes the best practices and legal requirements of service as a trustee or board member. It provides action-oriented tools and resources that can help foundation trustees and directors perform and manage their grantmaking and oversight work efficiently, effectively and comprehensively.

The manual draws on materials prepared by GMA staff for foundation workshops and on the work of the Council on Foundations, the Association of Small Foundations, and the National Center for Family Philanthropy, among others. Margaret Carr assembled and edited the contents. Andrew Bailey of the Mabel Louise Riley Foundation, Nicholas Carter of the Clipper Ship Foundation, and William Mackey of the Louise Crane Foundation kindly reviewed the document in draft form and made helpful comments.

GMA Foundations serves as staff and headquarters for many foundations, managing grant programs, and handling financial and administrative operations for trustees with interests that extend locally, nationally and internationally. Our staff offers assistance with the challenges of starting up a new foundation, policy development, operating issues, strategic planning, transitions, and evaluation, along with ongoing grantmaking and management needs. Our purpose is to enable you to operate efficiently and distinctively and to experience the rewards that come from working with others to make a better world.

As you review this handbook keep in mind that the IRS, Congress or other authorities may institute changes that will affect foundations or the role of trustees. We plan to alert our clients to the facts and implications of any changes and will develop an updated version of this handbook.

Mary Phillips  
President  
GMA Foundations  
77 Summer Street, Suite 800, Boston, MA 02110-1006  
617-426-7080  
[www.gmafoundations.com](http://www.gmafoundations.com)

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## I. TRUSTEE ROLES AND RESPONSIBILITIES

- A. Governance and fiduciary responsibilities
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## GOVERNANCE AND FIDUCIARY RESPONSIBILITIES OF TRUSTEES

A foundation can be structured as a trust or a corporation, and, respectively, it can be governed by trustees or a board of directors. As the responsibilities of both are very similar, this manual uses the word “trustee” to refer to both roles. There are a few differences, however. For example, a corporate foundation board must have officers, while a trust board is not so required. A foundation’s legal counsel is the best resource for precise information on such distinctions. With either type of foundation, there is no legal requirement that the board be of a minimum or maximum size. The number of trustees should be sufficient to carry out the duties and responsibilities of the foundation.

### Governance

Whether or not a foundation is staffed or chooses to use a philanthropic advisory service, its trustees have the full authority and responsibility to review and authorize charitable grants. The trustees develop policies and procedures for the operations of the foundation and supervise the foundation’s investments, audit, grant programs, and overall performance. The administrative responsibilities of the trustees include the following tasks.

### Administrative Oversight

- Select, support, oversee, and evaluate the executive director or philanthropic advisory firm
- Develop written job descriptions for senior staff, or define the range of services to be performed by a philanthropic advisory firm
- Decide on the amount of compensation, if any, to be paid to trustees, and/or to the executive director or the philanthropic advisor.  
Compensation paid by the foundation to trustees or to an executive director is disclosed to the public on the foundation’s

form 990-PF. The fees paid for philanthropic advisory services are also disclosed on the 990-PF.

- Establish and implement personnel policies, if the foundation hires staff

### Board Functioning

- Recruit, nominate, and orient trustees to broaden capabilities and outlook
- Develop written policies with regard to trustee, officer and committee functions, meeting attendance, and other expectations
- Set terms and an evaluation program for trustees
- Determine the foundation’s possible needs for insurance coverage, such as directors and officers liability insurance

### Policy-making and Planning

- Develop and maintain the foundation’s mission statement and guidelines to make clear its purpose and define its program interests
- Develop and implement long-range and strategic plans for the foundation
- Develop policies and procedures for the foundation, such as a conflict of interest policy, a code of conduct statement, and a whistle blower policy
- Enhance the foundation’s effectiveness and standing by developing mutually informative and collaborative relationships with the community, experts and leading organizations within its areas of interest, with government, and with other foundations
- If appropriate, consider whether the foundation should continue to exist in perpetuity

### Fiduciary Responsibilities

According to the law, trustee fiduciary duties are three-fold: the duties of care, loyalty, and obedience.

- **Care:** Trustees must take the same care as an ordinary prudent person when making decisions or acting on behalf of the foundation, including the selection and monitoring of outside investment advisors and accountants. Trustees should ask questions, gain information, participate in deliberations, and exercise reasonable judgment.
- **Loyalty:** Trustees must act in the best interest of the foundation, rather than in the interest of any individual or outside cause, using the organization's funds and resources to advance its philanthropic mission rather than private interests. They must avoid self-dealing, lobbying, and political activities prohibited by law. This does not prohibit trustees from personal dealings with the foundation or any of its advisors or grantees. It does require that such activities be fully disclosed and be fair from the foundation's standpoint.
- **Obedience:** Trustees must obey the principles set out in the foundation's mission statement, trust agreement, articles of incorporation, or by-laws and avoid any action that could jeopardize its tax-exempt status.

### FINANCIAL AND INVESTMENT RESPONSIBILITIES OF TRUSTEES

Each trustee has a personal duty to ensure that the foundation is operated in a fiscally sound manner without waste or extravagance and that its assets are invested prudently to maintain long-term grantmaking ability. Accountants, investment advisors, and members of the investment and finance committees can and should perform certain tasks, but each trustee

shares responsibility for the foundation's financial well-being and its accountability. Keeping in mind that statutes, IRS regulations, and court rulings change over time, it is essential to seek up to date advice from tax professionals.

### Accountability

- Ensure that the foundation maintains accurate financial records, files all federal and state tax returns, and makes quarterly tax payments. It is wise to maintain an annual calendar of deadlines for all required activities.
- Review the federal tax return (Form 990-PF) and any applicable state tax return for accuracy and consistency before it is filed. The 990-PF is a public document which must be furnished to interested parties upon request. It may be scrutinized by members of the public in addition to the IRS and may be the only information used by them to form opinions about the foundation and its management. As some preparers may categorize specific items differently, in order to facilitate fair conclusions, it may be wise to produce a supplemental schedule indicating what items are included in each category.

### Controls

- With the advice of accountants, establish all financial controls necessary to ensure that the foundation's assets are protected and that management decisions are based on accurate information about the foundation's financial condition.
- While an audit is not legally required unless so provided for in a foundation's by-laws, if one is performed, trustees should review the auditor's annual report.
- Approve and monitor all budgets.
- Authorize all bank accounts and loans.

### Internal Revenue Requirements

- With professional assistance, determine the proper classification and value of assets in order to determine how much money must be paid out annually for charitable purposes.
- Each year, distribute for qualifying charitable purposes at least 5% of the average net asset value, based on the average monthly market value for the most recent fiscal year. This payout obligation must be fulfilled by the end of the following fiscal year.
- Each year, pay a 1% or 2% excise tax on net investment income. To qualify for the 1% tax, the foundation must pay out more than the average payout of the preceding 5 years. When considering doing so, trustees should be aware that they will spend more on grants than they will save in taxes in order to achieve this goal.
- Avoid extra taxes or penalties, imposed for prohibited activities such as influencing public elections, lobbying, and self-dealing.
- With professional assistance, comply with provisions of the 2006 Pension Protection Act and other IRS regulations, including the taxes on excess business holdings, on investments which jeopardize the charitable purpose of the foundation, payments for travel or studies by certain individuals, and grants to non-qualified organizations unless the foundation exercises “expenditure responsibility\*”.

### Investments

- Establish the investment goals and policies for managing the foundation’s assets.
- Ensure that the foundation has adequate resources by investing its assets prudently or by interviewing, selecting, and monitoring the performance of professional managers.

- Review all investment decisions, regardless of who is the investment advisor. If the investment advisor is given the authority to purchase or sell investments, the trustees should be notified promptly of these actions, which should all comply with the investment policies of the foundation.
- Be familiar with program-related investing and socially responsive investing for the purpose of considering these options in the policy-making process.

### Development

- If the foundation solicits personal contributions from others, trustees should give to the foundation or draw on their personal network to attract donations to the foundation.

*\*According to the Internal Revenue Service, expenditure responsibility means that the foundation exerts all reasonable efforts and establishes adequate procedures:*

- 1. To see that the grant is spent only for the purpose for which it is made,*
- 2. To obtain full and complete reports from the grantee organization on how the funds are spent, and*
- 3. To make full and detailed reports on the expenditures to the IRS.*

*Further amplification can be found on the IRS website.*

**SAMPLE**

**DUTY OF LOYALTY POLICY - CONFLICT OF INTEREST STATEMENT**

The trustees of the foundation are encouraged to play active roles in their communities by serving as board members or otherwise being involved with a wide spectrum of nonprofit organizations and businesses. Such engagements are the hallmark of the kind of person a foundation wants and needs to serve on its board and bring valuable knowledge which may be shared among trustees and assist in decision-making. However, these engagements may also lead to real or perceived conflicts of interest, such as:

- 1) a trustee or relative has a personal **financial interest** or appears to have a financial interest in an asset being purchased, leased, or sold by the trust or foundation or in the subject matter of a contract involving the trust; or
- 2) a trustee or relative has a fiduciary relationship with or is a substantial contributor to a nonprofit organization which is requesting a grant from the foundation, suggesting **divided loyalties** that may influence a decision but no personal financial interest.

Whether the interests are confluent or conflicting, financially motivated or not, the legal duty of loyalty requires that when acting in their role as trustees, board members place their loyalty to the foundation above their relationship to the other organization. Self-dealing, (engaging in any financial transactions with disqualified persons, including trustees, staff members, relatives, and major donors), is illegal. Reasonable trustee compensation is permissible, and payments may be made for necessary services, such as legal, accounting, and investment advice, and salaries or fees for grantmaking and administrative services.

With any type of conflict, foundation board members and staff must disclose it to the full board prior to making any related decisions. Assessing duration, strength, and intimacy of the affiliation, the remaining trustees will then determine whether or not there is a potential conflict of interest. Should it be so considered, the trustee involved should provide information to fellow trustees, abstain from voting, and leave the meeting room prior to any vote. The minutes of such meetings should carefully record the nature of the conflict, the withdrawal of the trustee involved, and the action taken by the trustees.

I HAVE READ AND UNDERSTAND THE FOREGOING CONFLICT OF INTEREST POLICY.  
 I AGREE TO COMPLY WITH ITS TERMS.

Name \_\_\_\_\_ Date \_\_\_\_\_

*\* This document draws from The Trustee Notebook, (Washington, DC: National Center for Family Philanthropy, 1999)*

## SAMPLE

### CODE OF CONDUCT

The trustees shall endeavor to make the most of the financial resources of the foundation as well as other assets such as relationships, reputation, credibility, and skills. The trustees undertake to uphold the public trust in charitable foundations and the nonprofit sector. The trustees aspire to have a beneficial and durable impact on society and to inspire future generations to continue the American tradition of philanthropy.\*

The following values should guide all of the actions of the trustees.

**Ethics** – Trustees and staff will serve the public interest, refrain from benefiting improperly from the foundation’s activities, and avoid real, perceived, and potential conflicts of interest. We will abide by all applicable laws and regulations and adhere to the principles and policies of the foundation.

**Courtesy** – Trustees and staff will show graciousness, discretion and consideration for others. We will seek and listen objectively to the ideas and advice of grant applicants as well as colleagues to broaden our understanding. We will conduct our discussions with open minds and tolerance for different positions, communicating constructively to establish trust, encourage candor, and build a consensus.

**Integrity** – Trustees and staff will be sincere and honest with each other, the community, and applicants. While preserving the confidentiality of trustee discussions and exercising discretion about private matters, activities will be transparent and open to scrutiny.

**Commitment to effectiveness** – Trustees and staff will embrace best practices and consider multiple strategies to further the foundation’s mission. Decisions will be made on the most complete and accurate information that is available. Conscientious preparation, attendance, and active participation at meetings are expected of all trustees. Trustees will seek to improve the effectiveness of the foundation through strategic and long-range thinking, objective and thorough evaluation, flexibility and responsiveness to changing needs and opportunities, and development of individual and institutional knowledge and leadership.

*\*This paragraph was adapted from the Preamble to Stewardship Principles and Practices for Independent Foundations, (Council on Foundations, 2005)*

**SAMPLE****WHISTLE BLOWER POLICY**

As a result of the 2002 Sarbanes-Oxley Act, many accounting firms recommend that steps be taken to protect whistle blowers in the nonprofit sector as well as in businesses. It is considered good practice for trustees to establish and implement a policy that allows individuals to come forward with credible information on illegal or unethical practices or activities that violate the foundation's policies. Such a policy should explain how the foundation will address such allegations and state that whistle blowers will not face retaliation.

A brief policy statement, such as the following paragraph, will usually suffice.

*Trustees, and any foundation staff, have a responsibility to report to the chair of the board of trustees what they believe in good faith are material violations of laws, policies, or accounting regulations. Such complaints shall be kept confidential and materials supporting the complaint shall be safeguarded. Whistle blowers shall not be subjected to retaliation of any kind. With the help of independent advisors when necessary, the executive committee or the chair of the board of trustees shall investigate the allegation and take appropriate actions to resolve the matter and ensure the rightful, transparent conduct of the foundation's work.*

## QUALIFICATIONS AND ROLES OF TRUSTEES

Unless mandated by a foundation's by-laws or trust agreement, there is no fixed number of trustees that a foundation must have, and there is no requirement for organizing the trustees with specific positions or titles. Nor is there a set of rules covering any specific experience, education or other required credentials.

However, for effective functioning, it is wise to have general agreement about what is expected of trustees and how their work will be managed.

In *Foundation Trusteeship*, John Nason describes the attributes of excellent trustees in the following way.

### Qualifications of Trustees

- Interest in and concern for the foundation and its fields of operation
- Some understanding of the issues or problems the foundation seeks to address
- Objectivity, impartiality, and the ability to exercise good judgment
- Special skills, so that collectively the board will have competence in management, investing, budgeting and the laws governing private foundations
- A capacity for teamwork, for arriving at and accepting group decisions
- Ability and willingness to give time, thought and effort to foundation duties
- Practical wisdom, including the capacity to see the whole picture, to recognize the validity of opposing arguments, and to be realistic about what is possible
- Commitment to the foundation as a whole and not to special interests or constituencies

- Commitment to the idea of philanthropic foundations,
- Moral sensitivity

Where a foundation operates with specific titles for certain trustees, the following positions are normally established. The descriptions below are suggested by the Council on Foundations.

### Role of Chair or President of the Board

- Prepare agendas for trustee meetings
- Ensure that actions authorized at the trustee meetings are carried out
- Promote a culture of openness, candor, sharing and learning; ensure due process
- Call special meetings, as necessary
- Appoint committee members and chairs
- Serve as ex-officio member of any committees
- Recruit and orient new trustees
- Coordinate annual review of performance and compensation of staff or consultants and professional service providers
- Coordinate periodic assessment of trustees, consulting with the trustees on their roles and helping to assess their performance
- Review trustee compensation, with consideration of neutral party input
- Act as a spokesperson for the foundation

## QUALIFICATIONS AND ROLES OF TRUSTEES (cont'd)

### Role of Vice Chair or Vice President of the Board

- Understand the responsibilities of the board chair and be able to perform these duties in the chair's absence
- Attend all board meetings
- Serve as chairman-elect, as appropriate
- Carry out special assignments, as requested by the board chair
- Participate as a vital member of the board leadership team

### Role of Secretary of the Board

- Attend all board meetings
- Notify trustees of board and committee meetings
- Prepare or review minutes of trustee meetings. While not mandatory unless so stated in the foundation's by-laws, minutes provide an important record of the board's care and diligence. The secretary should convey the reasoning and critical factors behind major decisions.
- Maintain all board records and ensure their accuracy and safekeeping
- Provide for the safekeeping of the foundation's founding documents and legal papers, including by-laws, the trust instrument or articles of incorporation, amendments, the IRS tax exemption letter and the original application paperwork
- Assume responsibilities of the chair in the absence of the chair, chair-elect, and vice chair

### Role of Treasurer of the Board

- Understand financial accounting for nonprofit organizations
- Serve as financial officer of the foundation and chairperson of the finance committee
- Manage the board's review of and action related to its financial responsibilities
- Work with the executive director and/or chair of the trustees to ensure that appropriate financial reports are filed and made available to the trustees on a timely basis
- Assist the executive director and/or chair in preparing the annual budget and presenting the written budget to the trustees for approval
- Review the work of tax preparers and auditors if an audit is performed
- Ensure that all required tax filings are completed on time

## ROLES AND RESPONSIBILITIES OF TRUSTEE COMMITTEES IN PRIVATE FOUNDATIONS

Most foundations operate with one or more committees. This practice makes use of the expertise that trustees may bring to their role and engages them in a purposeful and significant way. Foundations with three or four trustees often operate as a committee of the whole, with the exception that they may have a smaller investment committee. Family foundations often use trustee committees or engage a philanthropic advisory firm to do the day-to-day work of the foundation, since they frequently operate with few or no staff.

While trustees usually find it efficient to assign specific tasks to certain committees, it is important to know that as fiduciaries, all of the trustees are responsible for understanding the decisions the board makes and the actions it approves. Similarly, members of select committees have an obligation to keep other trustees informed about their deliberations and decisions.

The most common committees within private foundations are the **executive committee**, the **investment** and **finance committee**, and the **governance** or **nominating committee**. Larger foundations may have a **grantmaking committee**, a **planning committee**, and one or more **program committees**. A **personnel** or **administrative committee** is useful for staffed foundations or ones that use an outside philanthropic advisory firm. In addition, the board chair can appoint any number of **ad hoc committees** as needed. A retreat planning committee would be an example of an ad hoc committee.

Outlined below are the most common committees used by foundations, along with a general rationale for each and a description of the committee's customary responsibilities. The descriptions draw on BoardSource's publication, *Transforming Board Structure*, and Council on

Foundations materials. Large foundations tend to have more permanent committees, while small and medium-size ones usually operate with only a few.

**Executive committee:** Seen most often in incorporated foundations, and usually composed of the officers of the board, this committee normally has the power to make decisions on behalf of the board between regular meetings. The extent of the committee's authority and meeting frequency can be decided by each individual foundation according to its need for accelerated decision-making or special assignments between full board meetings. Such work might include strategic planning or an executive search. The executive committee should strive to avoid becoming the sole decision-making body for the foundation. This action could reduce the participation of other trustees and might cause them to ignore their responsibilities as fiduciaries. Foundations of relatively modest size do not usually have a great number of decisions to be made outside of regular board meetings, and technology can enable geographically dispersed trustees to participate in many meetings. However, when a preponderance of the trustees reside outside of the foundation's geographic area, there may be a need for the appointment of an executive committee

**Finance committee:** This committee is responsible for financial management and planning. It ensures that the assets of the foundation are safeguarded and that financial records are maintained properly. It oversees the preparation of the annual budget and monitors the foundation's expenditures. It is responsible for ensuring that the full board receives and understands accurate and useful financial reports and that governmental reporting requirements are fulfilled. Many foundations combine the investment, finance, and audit committees.

## ROLES AND RESPONSIBILITIES OF TRUSTEE COMMITTEES IN PRIVATE FOUNDATIONS (cont'd)

**Audit committee:** At present, federal tax law does not require that charitable foundations undergo audits. State laws vary and may require an audit if a foundation solicits more than a certain number of individuals for contributions or if a foundation has more than a certain amount of revenue. If an audit is needed, the audit committee should select a capable, independent auditor, review the auditor's report, share its findings with the full board, and follow through on its recommendations. The audit committee should include the chair and treasurer. In staffed foundations, the chair of this committee should meet independently with the auditor without any staff present to ensure that all concerns are forthcoming.

**Governance or nominating committee:** This committee helps establish trustee roles and responsibilities. With attention to board composition and collective capabilities, it identifies trustee candidates and nominates and orients new trustees. The committee plans for succession in leadership positions. It also reviews board effectiveness and proposes steps for improvement.

**Investment committee:** This committee is responsible for supervising the foundation's investments and developing its investment policy and objectives. Its members oversee the foundation's investment advisor(s) if there is one. The investment committee should be composed of knowledgeable trustees who have access to one another or can easily arrange to meet on a regular basis. Normally, quarterly meetings of the investment committee and the foundation's investment advisors suffice. Investment committee members have an obligation to make sure that non-committee members are familiar with the foundation's investments.

**Development committee:** Some foundations seek to enlarge their financial resources through outside contributions as well as through prudent investment management. Such foundations may have a development committee to set

fund-raising goals, identify potential donors and oversee or conduct the solicitation effort. When foundations raise money externally, it is generally expected that every board member will make a personal financial contribution.

**Grantmaking committee:** Some foundations assign to selected trustees the responsibility of reviewing all grant requests and making recommendations to the board. The grantmaking committee is responsible for analyzing the requests, making site visits and preparing written summaries and recommendations. The grantmaking committee can also serve as a screening committee, reviewing unsolicited requests and deciding whether they should be presented to the board or denied.

**Planning committee:** A planning committee is responsible for developing long-range strategic plans and goals for the foundation. It analyzes internal and external challenges and opportunities that affect the foundation's mission, values, and effectiveness. Depending on the existence and responsibilities of other committees, it may also address trustee development, trustee training, guidelines review, program evaluation, and other subjects. It can be useful for a planning committee to meet on a regular basis during a foundation's start-up years and on an ad-hoc basis as future needs arise.

**Program committees:** These committees normally provide guidance and advice to staff and co-trustees as well as oversee the foundation's program areas. In large foundations the program committee works with the staff to plan the foundation's grantmaking within the program area and confer with the staff as they review specific requests. In smaller foundations, the program committee is normally responsible for seeking and reviewing requests within the area of interest and making recommendations to the trustees. The program committee also takes the lead in evaluating the foundation's grantmaking program.

## ROLE OF AN EXECUTIVE DIRECTOR or PHILANTHROPIC ADVISORY FIRM

Foundations use various staffing structures in order to accomplish the necessary activities of the organization. Among the most common are:

- unstaffed, with trustees performing all tasks
- unstaffed, but with a philanthropic advisory firm performing needed tasks
- staffed, with an executive director and, sometimes, other personnel
- staffed, with a trustee filling the executive director position

The position of executive director usually applies to those foundations which employ one or more staff. In cases where the position is filled by a board member, or where a philanthropic advisory firm has been hired, a job description may be used to establish expectations for work performance. The job description below was developed by GMA Foundations and supplemented with wording from the Council on Foundations, the National Center for Family Philanthropy, and the Association of Small Foundations.

### Qualifications

- Excellent written and verbal communication skills
- Ability to work with a board of trustees
- Background in management, including budgeting and supervision
- Experience in the foundation's fields of interest
- Skilled in grantmaking or with experience in a similar skill

- Ability to analyze, interpret, and assess financial, management and program information, and determine strengths and weaknesses of organizations
- Ability to work effectively with other organizations and with diverse individuals
- Ability to work independently, juggling multiple assignments
- Understanding of the laws governing private foundations and public charities
- Understanding of nonprofit organizations and their programs
- Ability to work easily with computer technology

### Reporting

- Reports to the chair of the foundation

### Management

- Manage the foundation's relationship with staff and outside consultants
- Confer with the foundation's counsel on matters requiring legal attention
- Monitor the work of the foundation's investment advisors, ensuring that reports are provided to the trustees on a timely basis
- Coordinate with the foundation's auditors the timely preparation and filing of the foundation's tax returns
- Serve as an ex officio member of all committees

## ROLE OF AN EXECUTIVE DIRECTOR or PHILANTHROPIC ADVISORY FIRM (cont'd)

### Communication and Education

- Maintain informed relationships with the foundation's important constituencies, including trustees, applicants, and grantees
- Remain current in the fields of interest to the foundation
- Communicate with the public about the foundation's grantmaking guidelines, process, and results
- Represent the foundation at public meetings, conferences, and other events
- Respond to trustee requests and initiatives, as appropriate
- Maintain close working relationships with committees
- Facilitate sharing of information between committees and with the board of trustees
- Supervise preparation of the foundation's annual reports and other public documents, and maintain the foundation's website
- Provide for trustee orientation and education

### Grantmaking

- Work with the trustees to establish and refine the foundation's grantmaking programs and priorities
- Review grant applications and letters of inquiry submitted to the foundations, conduct interviews and site visits, prepare written reports and recommendations for trustees, and monitor the results of grants
- Seek out proposals for submission to the foundation, as appropriate and as needed
- Participate with others in the funding community in professional development opportunities
- Take the initiative and participate with other funders and community groups, as appropriate, in addressing issues of importance to the foundation
- Conduct evaluation of the foundation's grantmaking programs, initiatives, and projects
- Present funding recommendations at trustee meetings

## II. AIDS FOR UNDERSTANDING AND EVALUATING GRANT APPLICATION MATERIALS

- A. Understanding the Grant Cycle
- B. Preliminary applications and concept papers
  - 1. Sample preliminary application form, also known as concept paper
  - 2. Review forms for preliminary applications
- C. Proposals
  - 1. Sample common proposal forms
  - 2. Suggested proposal review questions
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  - 4. Reviewing a proposal's evaluation component
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  - 1. Determining necessity of a site visit and preparing for a site visit
  - 2. Report form for a site visitor

## UNDERSTANDING THE GRANT CYCLE

The grantmaking cycle of most foundations usually contains the following elements:

1. The foundation publishes **guidelines** describing its interests and exclusions, annual timetable, and procedures for applying for grants. Special initiatives to fund an extraordinary effort or area of concern may be designed with their own guidelines.
2. To manage the **work flow**, control administrative costs and leverage trustees' time, the foundation's grant reviewers may establish a target number of applications to recommend for full board consideration. This practice is usually based on a workable ratio of total money available for distribution compared to the dollar amount of requests to be recommended, or a ratio of total applications compared to the number of most promising ones, or another formula based on trustees' experience.
3. Some grant seekers may be **winnowed** out as a result of telephone conversations or first impressions that indicate insufficient capabilities or a poor fit with the foundation's guidelines and interests.
4. In their guidelines, some foundations ask grant seekers to submit **preliminary applications** (also known as concept papers or letters of intent). This option adds another step but helps applicants and trustees to save time by communicating the main points of a request without requiring the complete proposal and supplemental attachments. Preliminary applications frequently consist of two written pages and a project budget.
5. If the trustees find that the preliminary application is of interest to the foundation, they invite a full proposal. Preliminary applications that are not of interest can be denied immediately. If a preliminary application is not required, the grant seeker sends a **full proposal** to the foundation.
6. The full proposal may be sent in hard copy form or electronically, depending on the preferences and capabilities of the foundation. Requirements and forms vary, although many foundations use a common form developed by their regional association of grantmakers. The following components are normally required in a full proposal:
  - Cover letter
  - Recent audited financial statements
  - Cover application form
  - Recent IRS Form 990/federal tax return
  - Proposal narrative
  - Organization's budget
  - List of board members
  - Project budget
  - Staff resumes
  - IRS letter verifying tax exempt status
7. After reading the full proposal, the reviewer may perform a site visit or telephone interview to gain further insight into the request. Proposals that fall outside the parameters set forth in the guidelines are declined in writing.

8. If the foundation has staff or has employed a consultant to review grant proposals, the reviewer prepares a **summary** of each one in writing and may make **recommendations** and **prioritize** the requests. This function may also be performed by one or more of the trustees. A good write-up includes the following elements.

- organization name
- proposed project (if it is an operating request, the proposed work plan)
- contact information
- grant history
- project leadership and budget
- request
- financial analysis
- organizational background
- reviewer commentary and accomplishments
- recommendation and rationale
- board and staff leadership

In prioritizing the requests, one approach is to divide the proposals into three categories. The top category comprises outstanding proposals which are completely consistent with the foundation's mission and priorities and which have high potential for significant impact. The second category includes excellent projects presenting potential tradeoffs or one or two minor flaws. The third category contains those proposals that do not fully fit the foundation's guidelines or that display serious shortcomings.

9. The trustees meet with the reviewer and decide which grants will gain **approval**. Depending on their priorities, approved grants may take the form of **outright support** for operating or project needs or **future support** such as pledges, conditional grants, or challenge grants. Unapproved requests are deferred or denied in writing.

10. After the funds have been received, and the project is underway or complete, the grantee sends the foundation a **report** on the project and its results so far.

11. The trustees or reviewer make an **assessment** as to the approved expenditure of the funds and whether or not the project or program achieved its objectives. Often this assessment is used to inform future grantmaking decisions.



## **COMMON PROPOSAL FORM PROPOSAL SUMMARY (for CONCEPT PAPER ONLY)**

The Proposal Summary is to provide a brief overview of the goals and objectives of the request. You should include the following in your summary.

- Brief description of your organization
- Description of the issue or need
- Brief outline the program or project activities and specific goals
- Indication of who would be responsible for managing the project, including potential collaborators
- Estimate of project cost and the amount you intend to request in your proposal

Request to: Enter name of foundation or corporation

1. Organization Name:

2. Proposal Summary (limit to 2 page):

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## REVIEW FORM FOR PRELIMINARY APPLICATIONS

Reviewer \_\_\_\_\_ Date \_\_\_\_\_

Name of Organization \_\_\_\_\_

Location of Organization \_\_\_\_\_

Amount and Duration of Request \_\_\_\_\_

Purpose of Request \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**On a 1-5 scale, with 5 indicating excellence, please rate the following:**

1. Relevance of project to foundation’s mission \_\_\_\_\_

2. Fit with foundation’s guidelines \_\_\_\_\_

3. Foundation’s experience with organization, (e.g., reporting on prior grants) \_\_\_\_\_

4. Organization’s leadership (qualifications, experience) \_\_\_\_\_

    a. Board \_\_\_\_\_

    b. Staff \_\_\_\_\_

5. Organization’s capability (competence, experience, staffing) \_\_\_\_\_

6. Project need \_\_\_\_\_

7. Project evaluation plan \_\_\_\_\_

8. Budget (key assumptions, critical timing, costs, revenues, overhead) \_\_\_\_\_

9. Likelihood of funding for this project from other sources  
(for current year and for project continuation) \_\_\_\_\_

Priority \_\_\_\_\_

Overall Score or Rank \_\_\_\_\_

Please make notes on the Preliminary Application Comment form.

## PRELIMINARY APPLICATION COMMENT FORM

Reviewer \_\_\_\_\_ Date \_\_\_\_\_

Name of Organization \_\_\_\_\_

Location of Organization \_\_\_\_\_

### **COMMENTS**



### COMMON PROPOSAL FORM COVER SHEET

The Cover Sheet Summary is to provide the essential data about the organization, the contact person, and the proposal. Please input text in **shaded boxes**. Complete this form and submit with your full proposal.

Request to: Enter the name of foundation or corporation

Date of Application:

Full Legal Organization Name:		
Address:		
City:	State:	Zip Code:
Website:		
President/Exec. Dir.:	Title:	
Phone #:	Email:	
Contact Person (if different):	Title:	
Phone #:	Email:	

**Organizational Information**

501(c)(3)? Yes <input type="checkbox"/> No <input type="checkbox"/>	If, Yes, FIN #: 00-1234567	Year established:
If No, provide name of fiscal sponsor (enter organization name and address):		
Total Organization Budget \$	Fiscal Yr: Month [select one] Day [select one]	
Total # of Board Members: 0	Total # of staff: 0	Volunteers #: 0
Organizational Mission Statement (50 words or less):		
Brief Description of Organization (75 words or less):		
Population Served (25 words or less, include age groups, race & ethnicity, income levels, etc.):		

**Proposal Request:**

Program/Project Name: Enter name; if no name leave blank		
Total Program Budget: \$	Requested Amount: \$	%: 0%
Type of Request: [select from the list]	Grant Period: to	Multi-Year? No
Geographic Area Served:		
Priority funding areas of grant maker (indicate how your request fits within the grant maker's strategic interest[s]):		
Most recent grants received from this funder:	Amount: \$	Date:
	Amount: \$	Date:

I hereby verify that the information provided is accurate and honest to the best of my knowledge.

Authorizing signature (President of the Board or Executive Director)      Date

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**COMMON PROPOSAL FORM  
FULL PROPOSAL NARRATIVE**

The Full Proposal Narrative is to provide a complete description of the request. This is a suggested format that includes the most common information asked by foundations and corporate grant makers. Read the Common Proposal Instructions before you begin. We strongly recommend that you check the specific guidelines developed by the funder before completing this form. Please input text in shaded boxes. The suggested limit is eight (8) pages.

Request to: enter name of foundation or corporation

Organization Name:

Project Name (if any): if no program or project name, leave blank

**Organizational Information**

1. Organization’s History:

2. Organizational Goals and Objectives (short-term and/or long-term):

3. Programs and Services (briefly describe your organization’s programs and services):

4. Organizational Structure (board, staff, volunteers):

A Diversity Data Form may be used to provide this data.

**Proposal Information**

If you are requesting general operating support, provide information about your organizations overall purpose, operating needs, and strategic plans.)

5. Description of Program/Project:

6. Description of Need (What is the issue you plan to address? What is your approach? What research supports your idea? How does your strategy differ from others in the field?):

7. Specific Activities (Include information about service delivery and/or timeline.):

8. Objectives and Goals for this Request (How will this grant strengthen the organization, address the issues, make improvements, or achieve success?):

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9. Evaluation (What are the anticipated outcomes and how will you know if you are successful?)

10. Other (Use this space to provide any additional information that you feel would be relevant to this grant request that is not covered in the sections above or respond to any other questions an individual grant maker may have.):

### **Budget Information**

**Use the Budget Forms to provide the organizational financial information and the program or project budget, both income and expenses.** Use this section below to indicate what funding you have received from other foundations, and from which other foundations you plan to seek funding. Describe any unusual or special circumstances and provide an explanation/justification of funding request and the amount.

Narrative:

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**AGM COMMON PROPOSAL FORM  
PROJECT & ORGANIZATION BUDGET SUMMARY**

**Organization Name**   
**Federal ID #**   
**Fiscal Year End**

	<b>This Request</b>	<b>Total Project Budget</b>	<b>% to Total Income</b>	<b>Total Organization Budget</b>	<b>% to Total Income</b>
<b>Income Sources</b>					
Government Grants	-	-	0.0%	-	0.0%
Foundation and Corporate Grants	-	-	0.0%	-	0.0%
United Way	-	-	0.0%	-	0.0%
Individual Contributions	-	-	0.0%	-	0.0%
Earned Income	-	-	0.0%	-	0.0%
Interest Income	-	-	0.0%	-	0.0%
In-Kind Support	-	-	0.0%	-	0.0%
Other Income	-	-	0.0%	-	0.0%
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Expenses</b>					
Salaries and Wages	-	-	0.0%	-	0.0%
Employee Benefits and Taxes	-	-	0.0%	-	0.0%
<b>Total Personnel Costs</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
Bank/Investment Fees	-	-	0.0%	-	0.0%
Depreciation Expense	-	-	0.0%	-	0.0%
Equipment Rental & Maintenance	-	-	0.0%	-	0.0%
Food Costs	-	-	0.0%	-	0.0%
Fundraising/Development Expenses	-	-	0.0%	-	0.0%
Insurance Expense	-	-	0.0%	-	0.0%
Marketing/Advertising	-	-	0.0%	-	0.0%
Postage and Delivery	-	-	0.0%	-	0.0%
Professional Development	-	-	0.0%	-	0.0%
Professional Fees	-	-	0.0%	-	0.0%
Rent and Occupancy	-	-	0.0%	-	0.0%
Supplies and Materials	-	-	0.0%	-	0.0%
Telephone Expense	-	-	0.0%	-	0.0%
Travel Expense	-	-	0.0%	-	0.0%
Other Expense 1	-	-	0.0%	-	0.0%
Other Expense 2	-	-	0.0%	-	0.0%
Miscellaneous Expenses	-	-	0.0%	-	0.0%
<b>Total Non Personnel Costs</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>Excess of Revenue Over Expenses</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>

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## SUGGESTED PROPOSAL REVIEW QUESTIONS

### RELEVANCE TO THE FOUNDATION'S MISSION

Will a grant advance the foundation's principal purposes and most important ideals? Will the funds be used in a way that is central to the foundation's mission? What is the applicant organization's mission? What are its current programs? Whom do they serve?

### FIT WITH THE FOUNDATION'S GUIDELINES

Is the applicant currently a tax-exempt public charity under IRS Section 501(c) (3) and determined to be not a private foundation under Section 509 (a)? Is a copy of the Letter of Determination from the IRS included and verifiably current? Have all required documents, including a current tax determination letter, been furnished? Is the project or organization eligible under the foundation's guidelines?

### THE ORGANIZATION

What prior experience has the foundation had with this applicant? Has the foundation made prior grants to the organization? What were the results? What is the organization's history? What is its track record within its own community? Are there similar organizations or programs within the same geographic area? Why is this one unique?

### ORGANIZATIONAL LEADERSHIP AND HUMAN RESOURCES

What are the qualifications and experience of the board and of the executive director? Is the board diverse, representative, and engaged? Has there been executive-level turnover?

### ORGANIZATIONAL CAPABILITY

Is the organization adequately staffed? Is sufficient staffing planned for the project? Does the staff have sufficient qualifications and experience? Are resumes available for review? If there is a volunteer program, is it active and well-managed, with training provided?

### ORGANIZATIONAL FINANCES

What is the financial condition of the organization? Does it have an endowment? Does it have positive or negative net assets? How do prior years' revenues compare to expenses? Have revenues been growing or shrinking? Are current cash equivalents enough to cover current liabilities? What are the agency's revenue sources? Are they reliable and diverse? Does the agency have any earned income? What is the organization's administrative overhead percentage? Does the organization have appropriate financial management staff in place? Is there appropriate board involvement in financial management?

### CURRENT REQUEST

What issue or need does the project address? Is documentation of the issue or need presented? Who will benefit? How? What is the potential for impact? What is the timeline for implementation and completion? Are there similar efforts underway in the field? How do these efforts rate in terms of success? How does the project fit with the organization's mission, its own priorities and goals? What are the project's objectives? Are they realistic? How will success be measured? Are project personnel sufficient in number and well qualified?

### PROJECT BUDGET

Does the budget present projected revenue and projected expense? Can you estimate how much of the project budget consists of routine operating costs? How large is the project budget in relation to the size of the organization's budget? How large is the project budget compared to the prior year budget for the same program? Is projected growth realistic? Is there a minimum amount that will allow the project to get underway? What is the response of other funders? What is known about future funding for the project?

## SUGGESTED PROPOSAL REVIEW QUESTIONS (cont'd)

### PROJECT EVALUATION PLAN

Are the goals clear and realistic? Do they seem appropriate for the scale and time frame of the project? Do they seem within the capabilities of the organization? Do the tasks outlined relate well to the achievement of the goals? Can you tell from the objectives what resources are needed to carry them out? What criteria of effectiveness are being set? Why have they been chosen? What are the indicators of success? Can they be measured, or will the evaluation be anecdotal or otherwise qualitative? Why has the proposed method of evaluation been selected? How will the costs of evaluation be funded?

### SUCCESS AND SUSTAINABILITY

What is the likelihood that the project will achieve its goals? What impact will a grant from your foundation have on the situation? How and when will the organization and its supporters know whether it has been successful? How will results be shared with funders and other agencies? What plan has been articulated for maintaining and expanding the project in the future? How will funding for the project continue beyond the grant period?

### THE SITE VISIT

Are there questions that the written material raised or did not answer? Will visiting the organization provide a clearer sense of the organization's mission and capabilities and of the proposed project? Will you be able to observe staff interacting with constituents? Will there be an opportunity to meet board and staff members? Will you be able to observe the situation that the proposed project will address? Will you be able to see the program location in order to determine that it is conducive to the proposed activity, as well as safe, clean, and accessible to the agency's constituency?

### YOUR ASSESSMENT

What do your analysis and intuition tell you?  
Can you make a case for support based on:

- Your analysis of the agency and of the proposed program
- what you've learned from interviews, site visits, experts, research
- your own experience

What is your rationale for support? What priority do you place on this grant application?

What is an appropriate dollar amount for a grant? Would you suggest any special terms or restrictions, such as a requirement for matching funds or specific reporting areas?

### USING THE REVIEW TO STRENGTHEN YOUR GRANTMAKING

Sometimes a trustee responds with indifference to a docket of proposals, even ones that are eligible under the foundation's stated mission and guidelines. At other times, certain programs or projects may generate enthusiasm but lack a desired component, such as the inclusion of a related population, or a plan to share results with colleagues in the field, or they may display an objectionable characteristic, such as communicating a message with which the trustee disagrees, while still performing a valuable service.

In these instances, a trustee thinks "I wish..." or "If only..." and precisely identifies features that, if present, would elicit a positive, excited reaction to an application. The hours spent reviewing grant proposals are a particularly fertile time for "I wish" moments to present themselves, but such ideas can also be generated by conversations, general reading and many other activities.

**USING THE REVIEW TO STRENGTHEN  
YOUR GRANTMAKING *(cont'd)***

Trustees should consider keeping an “I wish” log to which they can refer later, at a meeting to refine guidelines or during an internal evaluation process. This will enable them to articulate what they most want to support with their grant monies and then seek out and invite proposals from organizations which are doing work in ways that truly engage the imagination and philanthropic interests of the trustees. The log should not be used to exert undue influence on the activities of applicant organizations. It might, however, help to form the framework for a new initiative or focus area.

It is a good practice for trustees periodically to review the mission statement and guidelines of the foundation. Updating the guidelines for the purpose of clearly communicating what grant proposals will be likely to be supported enthusiastically will help increase the efficiency of the foundation by enabling prospective applicants to weigh their chances of success with the costs of applying. It will also increase the likelihood of greater personal satisfaction on the part of the trustees.

## PROPOSAL REVIEW FORM FOR TRUSTEES AND STAFF

Reviewer \_\_\_\_\_ Date \_\_\_\_\_

Name of Organization \_\_\_\_\_

Location of Organization \_\_\_\_\_

Amount and Duration of Request \_\_\_\_\_

Purpose of Request \_\_\_\_\_

**Please rate on a 1-5 scale, with 5 indicating excellence:**

- 1. Relevance of project to foundation’s mission \_\_\_\_\_
- 2. Project’s fit with foundation’s guidelines \_\_\_\_\_
- 3. Foundation’s prior experience with organization \_\_\_\_\_
- 4. Organization’s leadership (staff & board qualifications, experience)
  - a. Board \_\_\_\_\_
  - b. Organization’s senior staff \_\_\_\_\_
  - c. Project leadership \_\_\_\_\_
- 5. Organization’s capability (competence, experience, staffing) \_\_\_\_\_
- 6. Organization’s financial condition and fiscal management \_\_\_\_\_
- 7. Current Request (project need) \_\_\_\_\_
- 8. Budget (key assumptions, critical timing, costs, revenues, overhead, etc.) \_\_\_\_\_
- 9. Project’s evaluation plan \_\_\_\_\_
- 10. Project’s likelihood of success \_\_\_\_\_
- 11. Plan for project continuing after grant period ends \_\_\_\_\_
- 12. Likelihood of gaining future funding from other sources \_\_\_\_\_
- 13. Would a site visit significantly improve a funding decision? Yes / No \_\_\_\_\_

Priority \_\_\_\_\_ Amount recommended for funding \_\_\_\_\_ Overall Score \_\_\_\_\_

Please make notes on the Proposal Review Comment form.

## PROPOSAL REVIEW COMMENT FORM

Reviewer \_\_\_\_\_ Date \_\_\_\_\_

Name of Organization \_\_\_\_\_

Location of Organization \_\_\_\_\_

### **COMMENTS**

## REVIEWING A PROPOSAL'S EVALUATION COMPONENT

Effective and informed philanthropy requires that organizations and their donors review the actions that have been taken in the pursuit of a goal or goals and analyze whether or not, and to what degree, progress toward the goals can be attributed to those actions. Such analysis requires preparation, data collection, thoughtful review, and planning for adjustments and redirection of resources as a result of what has been learned. See the **Evaluation** section of this manual for more on this subject.

Every grant proposal should explain how the program will be evaluated and contain the following elements.

### GOALS AND OBJECTIVES THAT RELATE TO THE PROJECT

- What need or issue does the project address?
- How does the project document this need?
- What are the expected results, both short-term and long-term?
- What criteria of effectiveness are being used and why?

### GOALS THAT ARE CLEAR AND REALISTIC

- Are goals appropriate to the scale and timeline of the project?
- Do they seem overly ambitious?
- Do objectives relate well to the goals, i.e., do they include a series of tasks that will be undertaken in order to achieve the goals?
- Can you tell from the objectives what resources are needed to carry them out?

### A PLAN THAT HAS STRATEGIES FOR MEETING GOALS AND CRITERIA FOR DETERMINING SUCCESS

- What are the indicators of success?
- Are there any potential negative outcomes?
- Why has the specific method of evaluation been selected?
- What evidence of success will be acceptable to the foundation?
- How does the agency plan to incorporate evaluation results into the project?
- How will results be shared with other organizations and funders?

### A BUDGET FOR THE EVALUATION COMPONENT

- How will the evaluation be conducted and funded?
- Does the foundation's interest in the project warrant funding its evaluation costs?

## FORM 990 REVIEW

Trustees decide what materials they require applicants to submit with their proposals. The Form 990 is one of the most useful tools for use in proposal review because of the breadth and detail of data it contains. The Form 990 is required by the Internal Revenue Service and is due on or before the 15th day of the fifth month following the close of the organization's taxable year. This document can provide an early indication of financial trouble or of activities that risk the organization's tax exempt status.\*

Completed Form 990s contain the following information.

- Revenues, expenses, and changes in net assets or fund balances
- Functional expenses, those which further the foundation's charitable purpose
- Balance sheet
- List of trustees, officers, and key employees, including compensation data
- Answers to questions about unrelated business income, political activities, affiliations, and other activities that the IRS monitors
- Analysis of the organization's revenues to determine whether the Unrelated Business Income Tax is applicable

Grantmakers and others can view the Form 990s of many grant applicants by accessing [www.Guidestar.org](http://www.Guidestar.org). GuideStar also offers a tutorial containing an additional explanation of each section of Form 990.

*\*Siegel, Jack. B., A Desktop Guide for Nonprofit Directors, Officers, and Advisors, (Hoboken, NJ: Wiley & Sons, 2006)*

## FINANCIAL RATIO ANALYSIS

Ratio analysis, the quantitative comparison of different line items in an organization’s financial reports, is most useful when used over time and in the context of similar organizations.

Components used in the equations must be understood and caveats noted due to special circumstances. The **balance sheet**, present in audited financial statements and Form 990 tax returns, measures an organization’s current financial condition. The **income statement**, also known as the Statement of Activities, indicates past year performance and explains changes in net assets. Comparing several years’ statements enables trustees to understand trends and assess the feasibility of plans.

## ORGANIZATIONAL HEALTH

Indicators of financial health include:

- positive net assets
- annual surplus
- positive trends
- diverse sources of revenue
- reasonable overhead rate, including compensation for top employees
- no “red flags” in footnotes
- Trouble = reverse of all of the above

**Current ratio:** measures liquidity, or the ability to pay current bills. This should be positive, and larger rather than smaller.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

## ORGANIZATIONAL CAPACITY

**Donor reliance:** measures dependency on charitable contributions. Closer to zero is better because it means less dependence on debt or contributions to pay for the organization’s activities. Another way of looking at this is to examine the number and range of revenue sources in order to understand the organization’s vulnerability to the loss of any one source or type of source, such as donations, fees, etc.

$$\frac{\text{Expenses}}{\text{(Revenue - Contributions)}}$$

**Year to year trends:** Comparing changes in key areas, such as revenues, program expense, and the working capital ratio, (working capital÷total expenses), provides insight into fiscal health and stability, management performance, and operational vulnerabilities and sustainability. Working capital is calculated as: current assets - current liabilities.

**ORGANIZATIONAL EFFICIENCY**

**Charitable focus:** measures the portion of expenses that directly address mission. This should be at least 65%.

$$\frac{\text{Program-related Expenses}}{\text{Total Expenses}}$$

**or**

$$\frac{\text{Program-related Expenses}}{\text{Total Revenues}}$$

**Management efficiency:** measures overhead compared to all mission-related activities. This should be as low as possible, no more than 35%, although certain types of nonprofit activities such as scientific laboratories necessarily have higher overhead rates.

$$\frac{\text{Management \& Admin. Expenses}}{(\text{Program-related Expenses} + \text{Fundraising Expenses}^*)}$$

*\* Siegel, Jack B., A Desktop Guide for Nonprofit Directors, Officers and Advisors, (Hoboken, NY: Wiley & Sons, 2006)*

**Fundraising efficiency:** measures the cost of generating each dollar of charitable contributions. This should be as low as possible, no more than an average of 35% over several years.

$$\frac{\text{Fundraising Expenses}}{\text{Direct, Indirect, and In-Kind Contributions}}$$

**Fundraising focus:** measures the portion of operating expenses that directly relate to fundraising

$$\frac{\text{Fundraising Expenses}}{\text{Total Expenses}}$$

## PROJECT BUDGET ANALYSIS

The following questions are useful in assessing the budget component of an application.

- How does the project budget fit into the organization's overall budget? Does its relative size indicate that it is a manageable undertaking?
- Is the budget compatible with the organization's capabilities in terms of staff, experience, and financial sophistication?
- Does the budget realistically anticipate all expenses and revenues associated with the project?
- Are the size and timing of the costs and revenues reasonable?
- How large is the project budget compared to that of prior years? Is the expected growth realistic?
- Has overhead been included at a reasonable level? Are salaries reasonable?
- What has been raised for this project, and from what sources?
- What other proposals are pending?
- Is there a minimum amount that will enable the project to get underway?
- If the project continues after the grant period, how will it be supported?
- Do the components of the budget lead you to believe that a multi-year commitment of funds would be disproportionately valuable or provide superior leverage in ensuring the success of the project?

## SITE VISITS

### IS A SITE VISIT ALWAYS NECESSARY?

When time and distance permit, site visits are an important part of the grant review process. A site visit provides a chance for the reviewer to fill in details that the proposal omitted. It allows the reviewer to gain a first-hand understanding of an organization and the work it does in the community. The experience provides an opportunity to observe the need for the organization's programs and services and the satisfaction of its constituents. Meeting with program personnel, agency managers, and board members helps staff and trustees establish and maintain relationships with grantees and differentiate among different applications.

### WHEN SHOULD A SITE VISIT BE CONDUCTED?

Site visits are often conducted by trustees or staff after receipt of a written proposal and prior to making a funding decision to gain a better understanding of the application. Site visits may also occur some time after a grant has been approved, as a means of assessing the program or project and evaluating the benefit achieved by the grant. Post-grant visits may take place on site, at a grantee special event, or at a showcase for other funders. When site visits take place prior to the proposal stage, it is usually in the context of formulating a program around a theme of interest, such as literacy or a geographic area, and may involve multiple funders.

### IF A SITE VISIT ISN'T POSSIBLE, ARE THERE ALTERNATIVES?

A site visit may not be possible due to lack of time, opportunity, or because there may not be anything to observe on-site. The second best approach is to arrange an in-office meeting or phone call with program personnel and agency management. Checking with foundation colleagues who have visited and supported the organization, and studying proposal-related information via the print media and the Internet are other ways to gather information.

### HOW SHOULD A TRUSTEE PREPARE FOR A SITE VISIT?

- read the proposal and develop questions in an orderly fashion
- set goals for what you would like to accomplish on the visit
- determine if additional information or documentation is needed. Notify agency staff ahead of time, or leave them with a list to forward later.
- decide who you will need to speak with and what you would like to see
- let agency staff know your goals, expectations, and time frame for the visit
- schedule the visit for the appropriate day/time-of-day for the activity you wish to see
- set appropriate expectations - let agency staff know that, in addition to the site visit, there is a board decision-making process
- get good directions and parking instructions

## SITE VISITS (cont'd)

### WHAT SHOULD A TRUSTEE DO DURING A SITE VISIT?

It is a good idea to spend some time meeting with agency staff and board members, if available, and some time touring the organization's facilities and observing its programs. You may also wish to speak with those participating in the program, such as young people if you are visiting a youth program, or teachers if you are visiting a school. This can take anywhere from one to two hours. Practice good listening skills - try to ask short questions and wait for a response instead of asking several questions at once. Avoid selective listening which leads to some areas taking on disproportionate weight.

### WHAT SHOULD A TRUSTEE LOOK FOR DURING A SITE VISIT?

In general, you are looking for evidence that supports the agency's funding request. This includes information about the need for the proposed program, the qualifications of the agency's board, management and staff, the level of activity at the site, the condition of the site, the quality of the service, and whether the agency is serving the population described in the proposal. Register how you feel about what you are seeing. What does your common sense tell you?

### IS THERE ANYTHING A TRUSTEE SHOULD NOT DO ON A SITE VISIT?

Be respectful of people's time, and any customs they may observe. If you have questions which you consider "delicate", ask them at an appropriate time and in a sensitive manner. For example, questions relating to the management or finances of the organization are better asked of managers than of staff. Be diplomatic, but do ask the hard questions.

### HOW SHOULD A TRUSTEE END THE SITE VISIT?

Since you have let the staff know how much time you have to spend on your visit, it should be relatively easy to wrap things up. Once you have seen what you need to see and have no further questions, let the agency staff know what to expect next. You may ask if they have any questions for you or if there is anything else they would like you to know. If you sense the board's decision will be a negative one, leave the agency with low expectations about their chances. It is always useful to reiterate your role (staff, one trustee among several, etc.) and describe when they can expect a response. Thank the people you met for their time.

### HOW SHOULD A TRUSTEE FOLLOW UP A SITE VISIT?

Check for missing documentation. Check references. Prepare to report on your visit.

### ARE THERE ANY DISADVANTAGES TO SITE VISITS?

Site visits do take up time and may also raise the expectations of the applicant organization. Site visits can also be a waste of time if the reviewer or agency personnel are unprepared. In addition, the cost of making a site visit can be high if trustees and staff have to travel long distances. One rule of thumb is to keep the time spent and cost relative to the size of the grant request.

## SITE VISIT REPORT FORM

Applicant \_\_\_\_\_ Amount Requested \_\_\_\_\_

Location \_\_\_\_\_

Visitor \_\_\_\_\_ Date of Visit \_\_\_\_\_

**Recommendation** (Full, Partial, None, More, Priority)

**Comments:** (attach pages or use reverse side for additional information or commentary)

Personnel who will staff project: (experience, knowledge, enthusiasm, supervision)

Leadership: (effectiveness, efficiency, knowledge, experience, commitment)

Service Population: (need, access to site, level of engagement, opportunity to make a difference)

Facilities: (condition, limitations)

Board: (knowledge, involvement, community engagement)

Strengths/likelihood of success

Weaknesses/risks/unknowns

### III. EVALUATION

- A. Assessment of individual grants
  - 1. Report-based assessment of grants
  - 2. Sample common report form
- B. Other types of grant evaluation
- C. Evaluation of grantmaking program
- D. Board evaluation
- E. Evaluation of the executive director or philanthropic advisory firm

## REPORT-BASED ASSESSMENT OF GRANTS

It is a common practice to require grantees to furnish reports summarizing the activities and outcomes of the programs or projects that were funded. Such reporting serves to ensure that funds were spent in the ways agreed to by the grantee and offers guidance to the grantmaker regarding the future allocation of its charitable resources. Reporting, however, is not synonymous with evaluation. While interim reports may be requested, most are generated after a project or program is well underway and the resources supporting the activities have been committed. Reporting requirements may be broad or narrow, detailed or general, but they are usually one-way communications from grantee to funder and answer a defined set of questions.

For many foundations, especially those with limited staff, gaining insights from the reports requested of grantees may be the most practical, efficient way of monitoring the progress of funded activities, and learning about which organizations and what approaches are most effective in a program area. Using common report forms, which have been developed over time by major affinity groups or associations of grantmakers, usually achieves the goal of learning without burdening the agencies with the need to communicate the same facts and understandings in different formats. Careful reading of reports also enables a foundation to compare different grantees' activities and outcomes – gaining a perspective that the organizations themselves may not be in a position to attain.

Foundations that rely on reporting in order to inform their future decision-making should formulate specific plans for sharing and making use of the new knowledge. Such plans may include discussion time at board meetings, a facilitated workshop or retreat prior to the next round of proposal reviews, revision of guidelines, and other efforts that will enable the trustees to focus the foundation's giving in ways that experience indicates will be most effective.

Assessing grants depends naturally on what qualitative and quantitative information you obtain from required reports and other communication. Data elements may include a narrative, an expenditure report, and up-to-date financial statements. Asking the following questions may help your foundation assess the impact of individual grants and guide your board as it considers future proposals and evaluates its grantmaking program. Experience suggests that foundations which establish a strong basis of trust and respect with their grantees gain much more valuable information from the reporting experience. Both the foundation and the grantee can learn and benefit from a full consideration of unsuccessful grants as well as successful ones.

### Compliance

- Was the required report completed and returned on time?
- Was the grant money spent when and how the proposal indicated?

## REPORT-BASED ASSESSMENT OF GRANTS (cont'd)

### Effectiveness and Risk Profile

- To what extent were the proposal's objectives achieved, or was significant progress made? (fully, partially, or insufficiently)
- Was the project or program innovative or otherwise intrinsically high-risk?
- If the objectives were not fully achieved, what problems or unexpected factors arose during the grant period?
- What were the lasting effects of the program on the target beneficiaries? On the organization? Should these results be reexamined in future years, beyond the life of the grant?
- Will the project and any gains be sustainable in future years? Why or why not?

### Assessment

- Were adequate resources available to aid the grantee in accurately and constructively assessing the impact of the grant and the activities undertaken to achieve its goals?
- Would this type of grant lend itself to a more comprehensive evaluation? Should other funders or an independent consultant be involved?
- Have others already evaluated similar programs? What were their results?

### Follow Through

- What lessons about key success factors can be drawn as a result of this grant?
- What lessons can this grant provide about anticipating and managing risk?
- Should the foundation be more or less inclined to fund this program or this organization in future years?
- How can this assessment be used to refine and strengthen grantmaking?

# AGM Common Report Form

Check One:  Interim Report (Submit only this cover sheet)  
 Final Report (Submit this cover sheet and complete page 2 using no more than three pages.)

Submitted to: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Fiscal Agent (if different from your organization): \_\_\_\_\_  
Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Contact person: \_\_\_\_\_

Title: \_\_\_\_\_

Program Name (if applicable): \_\_\_\_\_

Grant Amount: \_\_\_\_\_

General Operating     Project Support     Challenge Grant     Capital/Endowment

Period that this report covers: \_\_\_/\_\_\_ to \_\_\_/\_\_\_

Please provide a complete expense report indicating how the grant award was used. **If this is an Interim Report,** please indicate expenses to date.

**Complete the following two questions ONLY if this is an Interim Report.**

1. List up to five accomplishments or progress towards meeting your goals and objectives so far.

2. Have there been any delays in meeting objectives? If so, please explain them.

Please respond to each of the following questions using up to 3 (three) pages in total, not including the cover page. Your responses should focus specifically on the funded project or program, if applicable, or in the case of general operating grants, on your entire organization.

1. Referring to the goals and objectives described in your original grant request (or any revisions submitted subsequent to the grant award), please indicate the following:
  - a. What were your major accomplishments?
  - b. What steps or actions were used to meet your objectives and goals?
  - c. What measures were used to determine your progress?
  - d. What were the unexpected results or key learnings you would share with funders?
2. Describe any setbacks encountered during the period of this grant.
  - a. How did these setbacks impact your organization or project?
  - b. How were these setbacks addressed?
3. Who else has funded this project (or your organization), and at what level? If total proposed budget amount was not raised, indicate if program goals were altered in any way.
4. What steps are being made to ensure the sustainability of your project or organization beyond this grant period?
5. If your program involved collaboration with other organizations, please comment on its effect upon the program.

***Check with individual funders about their requirements or additional attachments:***

- Promotional/dissemination materials (i.e. brochures, flyers, ad copy)
- News clippings
- List of current Board of Directors
- Most recent audit, account review, or end of year financial statement

**FINAL REPORTS MUST BE SUBMITTED NO LATER THAN SIXTY DAYS  
AFTER THE END OF THE GRANT PERIOD, OR  
WITHIN THE TIME SPECIFIED BY EACH FUNDER.**

## OTHER TYPES OF GRANT EVALUATION

Conducting useful evaluation depends largely on realistic self-analysis on the part of a foundation's trustees. The essential first step in improving a foundation's evaluation effort is to recognize the foundation's own capabilities, limitations, and opportunities for using the information and wisdom acquired through an evaluation process. Evaluation can be learned, and trustees may become individually and collectively more skilled over time, but a survey of what is hoped for and what can and will be done with the results of the evaluation should be the guiding force in determining the scope and type of assessment that the foundation undertakes.

Evaluation that goes beyond reading and analyzing grantee reports is an organic process whose purpose is for both the funder and the organization to gain greater understanding of the issues being addressed, the means by which the organization may achieve the most helpful results, and the extent to which outcomes can be related to the activities of the grantee. New opportunities for a foundation to further its mission may also be revealed, such as bringing grantees together, sharing data that can influence others, and improving its own grantmaking practices. Third parties, such as peer agencies and other foundations with similar programmatic interests, may also benefit if evaluation results are shared through publications, website updates, collaborations, and other forums.

Evaluation may be summative, analyzing information after the program has completed a defined phase, or formative, entering into the agency's planning and activities much earlier in the life of the program, continuing on, and affecting the course it takes. It may involve the foundation's arm's-length support in providing technical assistance, or it may invite active participation by foundation staff or trustees. An increasing number of foundations are using tools such as logic models to frame their evaluation work in a disciplined and widely understandable way. With any evaluation process, it is important that the results be disseminated formally and rationally, rather than shared anecdotally, so that the learning is institutionalized and not limited to the memories of individuals who may not continue in their roles at the foundation or agency.

Trustees should be careful to calibrate their evaluation process and intensity to the organizations that are being funded. While expecting accountability and good faith efforts to make the best use of foundation grants are legitimate concerns of trustees, it is important that grantees be given the space and authority to perform their work without undue interference. The most fruitful evaluations depend on commitment, collaboration, and communication from all the program's stakeholders. Including them in the conceptualizing and planning of the evaluation, and allocating funds for the additional time required, is helpful for gaining buy-in and ongoing participation.

## OTHER TYPES OF GRANT EVALUATION (cont'd)

### Engaging an Outside Evaluator

Sometimes it is advantageous and economical to bring in an outside evaluator, who can provide objectivity and special skills. For example:

- when a foundation is moving from one type of evaluation to another and lacks experience in establishing protocols, systems, and assignment plans for the new approach
- when a project area is highly specific and an outside evaluator can bring technical and/or comprehensive knowledge not readily accessible to the trustees or to agency staff
- when there are boundary issues, personality issues, or other barriers to conducting an independent evaluation
- when an evaluation requires skills or resources not available from the foundation or the agency, such as expertise in evaluation methods, research, writing, or analysis
- when the evaluation process is intended to be of short duration, and hiring a consultant is preferable to adding staff
- when the outcomes of a program are long-term in nature, and the foundation and the organization are not equipped to monitor results over an extended period

Evaluation is a growing field, with a wealth of tools, techniques, and frameworks for determining what level of evaluation is needed and doing it well.

See this manual's **Resources** section for some excellent sources of guidance.

## EVALUATION OF GRANTMAKING PROGRAM

Internal evaluation of a grantmaking program can be a difficult enterprise for a foundation of any size. The collection and analysis of data require time away from normal operations and functions, and the entire evaluation process requires organization and extra funds. Moreover, objectivity and experience are necessary in order to make good judgments about the results that are discovered and to formulate a plan of action that will enable the foundation to improve its grantmaking program in light of the evaluation effort's results.

If a foundation wishes to undertake a preliminary or limited self-evaluation of its grantmaking, the trustees may start with some of the following questions:

- Does our mission statement adequately reflect the purpose of the foundation?
- Do our guidelines make clear the types of proposals that we seek to fund and invite programs that will substantially advance our mission?
- Are our communications and reporting requirements clear and user-friendly?
- What percentage of inquiries, full proposals, and site visits result in denials?
- Is our governance structure supportive of long-term institutional learning and wisdom?
- Is our use of technology supportive of long-term institutional learning and wisdom?
- What use does the foundation make of the reports it requires of grantees?
- What kind of follow-up do we engage in for the purpose of assessing the effectiveness of our grants beyond the grant period?
- How do we differentiate between grantees that simply accomplish the actions that their proposals anticipate, without necessarily effecting significant change, and others that successfully achieve the underlying purpose of the tasks?
- Are our grantee organizations formulating programs to “chase the dollars” or building (or maintaining) the programs they believe have the best chance of accomplishing their missions? How do we know?
- What processes does the foundation have in place to exchange ideas and information with other funders about what works and what does not?

## BOARD EVALUATION

Assessing the performance of the board of trustees is a valuable step toward renewing and leveraging one of the foundation's most important assets. It takes sensitivity, time, candor, and commitment and is well worth the effort. It is, however, a challenge of multiple dimensions, requiring objectivity and benefiting from independence and broad experience. In family foundations particularly, an outside consultant often offers the best means of achieving a board's goals for improvement while facilitating the evaluation process in a way that strengthens rather than strains personal relationships.

It is time-consuming and administratively cumbersome but not inherently difficult to compare a board's activities and accomplishments with the lists of responsibilities and tasks outlined in this manual's section entitled **Trustee Roles and Responsibilities**.

The more challenging tasks in evaluating a board are the work of understanding the degree to which it effectively advances its mission and identifying where there are opportunities for enhancement. This effort goes beyond, "Is the board doing everything that it is supposed to do?" It asks, "Is this the best that the board can do?" and "How can the board optimize its structure, processes, and activities to achieve its own and the foundation's full potential?"

If your foundation wishes to undertake a preliminary or limited self-evaluation of your grantmaking, you may organize your effort by focusing on the following areas:

- **Policies, processes, and structure**
- **Meetings, communication, and administration**
- **Personal satisfaction and learning**
- **Accomplishments and effectiveness**

## EVALUATION OF THE EXECUTIVE DIRECTOR OR PHILANTHROPIC ADVISORY FIRM

The evaluation of the executive is an important annual task that is normally done by a subset of the full board. The process can uncover and address issues before they become problems, set goals, aid in professional development, improve performance, and set appropriate compensation. Written records of evaluations provide a paper trail that offers some insurance in the case of an employee's termination. Handling the evaluation of a family member who is acting as executive director in a positive and sensitive but professional manner is vital for good relationships and institutional effectiveness and integrity. Foundations that have chosen to engage a philanthropic advisory firm may also find this outline helpful in evaluating its work, within the parameters of the service agreement.

### General

- Progress toward goals
- Performance compared to expectations
- Financial management
- Management of resources

### Relationships with others

- Internal staff and outside consultants
- Foundation's legal counsel, investment advisors, and auditors
- Board chair, committee chairs, and all board members
- Applicants, grantees, and membership organizations

### Communication

- Written and oral communication with important constituencies and audiences, including board members, applicants, grantees, membership organizations, professional service providers, and government
- Communication with the public about the foundation's grantmaking guidelines and process, including maintenance of the foundation's website
- Preparation or direction of the preparation of annual reports and other documents
- Response to trustee requests and initiatives, as appropriate

### Knowledge

- Currency in the fields of interest to the foundation, including relevant technology and tax, investment, and legal regulations
- Representation of the foundation at conferences and other events

### Grantmaking

- Establishing, evaluating, and refining the foundation's programs and initiatives
- Administering the grantmaking process by evaluating applications, including conducting interviews and site visits; preparing written reports, making recommendations, and monitoring the results of grants
- Initiative in participating with other funders and community groups in addressing issues of importance to the foundation

## IV. INFORMATION MANAGEMENT

- A. List and organization of working documents and resource materials
- B. Statement of donor intent
- C. Brief history
- D. Sample annual calendar of trustee activities
- E. Sample expense form
- F. Sample document retention policy
- G. Sample document retention chart

## LIST AND ORGANIZATION OF WORKING DOCUMENTS AND RESOURCE MATERIALS

The following necessary materials pertain to specific foundations and must be provided or developed by them. They should be readily accessible to each trustee. The outline below offers a structure for organizing them efficiently. Founding documents, original exemption paperwork, the IRS tax exemption letter, noncurrent paperwork, individual grant applications, and other materials should be maintained separately. Members of the finance and investment committees normally maintain the most detailed and extensive records related to the financial operations of the foundation, while current reports will usually suffice for the rest of the board of trustees.

### Foundation Background Information

- Mission statement
- Statement of donor intent
- Trust instrument or articles of incorporation, by-laws, and amendments
- Brief history of the foundation and historical roster of trustees
- Annual report
- Minutes of recent board meetings

### Operations

- Contact information for trustees, staff and professional service providers
- Annual calendar of required filings, activities, and meetings
- Reimbursement policy and sample expense form

- Committee membership
- Trustee term or rotation information
- Foundation memberships in professional associations
- Document retention policy and chart

### Grantmaking

- Guidelines and procedures, including calendar and forms
- Cumulative lists of grants for previous years (by year, area of interest, location, and organization name)
- Special initiatives
- Grantmaking evaluation results

### Finance and Investments

- Foundation budget
- Procedures for drawing checks and transferring funds
- Investment policy and procedures
- Current investment portfolio
- Reports from investment manager
- Financial statements
- IRS form 990-PF and state tax return

## STATEMENT OF DONOR INTENT

Some donors, especially those who set up their foundation in the form of a trust instrument, develop very specific language regarding their intent from the outset. On the other hand, many donors do not think about their legacy until the time comes to involve other family members in the decision-making. Developing a statement of donor intent or a legacy statement can be a process involving the whole family, or it can be a simple act of writing by the donor alone and left for the family to interpret.

The first step is to consider whom to involve in development of the legacy statement. The process could begin with a broad discussion of values among family members. Or, it can begin with a statement drafted by the donors with or without the aid of an outside resource, such as a professional advisor or trusted friends. This document might then be shared with all board members, family and non-family, for feedback.

In any case, there are questions to consider:

Think about what you want your legacy to be. Is it to carry on a particular family tradition, belief, or attitude? Or, will it begin a new family tradition? Will your legacy speak to charitable goals you would hope to accomplish? Or, will it focus on what you hope your successors will gain from their involvement? If you have multiple aims, such as keeping the family together, helping to solve a societal problem, and educating young family members in a family tradition of philanthropy, what priorities do you wish to set?

Decide how much latitude you want to allow successors to have in altering the foundation's mission. How much confidence do you have in succeeding generations? Are there family issues you can foresee that you might be able to prevent?

Determine whether there are areas on which you are not willing to compromise. For example, do you want the foundation to exist in perpetuity? Do you wish to restrict giving to a specific geographic area or place limits on funding certain types of projects?

Consider what your experience has been with various types of governance, such as size of board, qualifications for membership, terms of service, and processes for rotation, and share your preferences in a section addressing the operation of the foundation.

Think long term, over several generations, and consider allowing some flexibility for successors to adapt the legacy in response to changing times and family composition and circumstances.

Decide who will write the donor legacy statement. It can be written into the trust instrument, set up as a letter to the family, or drafted as a statement of donor intent, among other options. A statement of donor intent might include biographical information about the donor and a narrative describing the donor's philanthropic interests and legacy. On an ongoing basis, asking new trustees to write a brief statement about how they believe the donor's legacy can best be fulfilled offers an opportunity for reflection and commitment.

## BRIEF HISTORY

One of the privileges of establishing or maintaining a private foundation is the opportunity to share your values and practices with others, especially your family and heirs, but also with others who may look to your legacy for guidance. You create or sustain a vehicle for conserving and advancing those values and traditions that can have a positive impact externally in the world and internally on your family for many generations.

A good written history puts into words the inspiration, intentions, and situations that led to the formation and continuation of the foundation. It communicates the donor's vision to successor trustees and others in a clear and lasting way and connects descendants with the heart and mind of a forebear whom they may not have known personally. It also gives successor trustees a sense of their place in a continuum of philanthropists who have taken their turn directing the foundation and making the history that peers, heirs, and others will read, reflect on, and be guided by.

At a minimum, a brief history should inform readers of the origin of the foundation's funds, the name and background of the donor, the stated or inferred donor's intent, the date and place of establishment, and a roster of trustees over the life of the foundation. A longer history might incorporate family stories, accounts of the impact of grants made or board service, a family tree, and a timeline of important internal and external events, among other possible elements.

**SAMPLE****ANNUAL CALENDAR OF TRUSTEE ACTIVITIES FOR A MASSACHUSETTS FOUNDATION WITH A FISCAL YEAR ENDING DECEMBER 31****November**

Trustees' semi-annual allocation meeting  
Set the date, time, and place for future trustee meetings

**November-December**

Prepare and mail grant letters and denial letters

**December 15**

4th Quarter Tax Estimate Due

**Early January**

Complete and verify form 1099s  
Mail to recipients by end of January

**February 28**

Form 1096 filing deadline  
Deadline is March 31st for electronic filers

**April 1**

Deadline for receipt of proposals to be considered at May trustee meeting

**Early April**

Check full proposals for completeness  
Distribute packets of proposals to all trustees, include proposed annual grant budget

**April**

The trustees and/or staff read proposals, conduct site visits, and submit their write ups and recommendations

At least two weeks prior to the May meeting, prepare and distribute to the trustees the meeting agenda and the book of write-ups and recommendations

**May 15**

Form 990-PF filing deadline  
MA Form PC filing deadline  
1st Quarter Tax Estimate Due

**May**

Trustees' semi-annual grant allocation meeting

**June 15**

2nd Quarter Tax Estimate Due

**September 15**

3rd Quarter Tax Estimate Due

**October 1**

Deadline for receipt of proposals to be considered at November trustee meeting

**Early October**

Check full proposals for completeness

Distribute packets of proposals to all trustees, include proposed annual grant budget

**October**

The trustees and/or staff read proposals, conduct site visits, and submit their write ups and recommendations

At least two weeks prior to the November meeting, prepare and distribute to the trustees the meeting agenda and the book of write-ups and recommendations

**November 1**

Commonwealth of MA Annual Report filing deadline

**November**

The trustees' semi-annual allocation meeting

*Note: As some deadlines are set by governmental agencies and can be changed by them from year to year, it is essential to revise the calendar annually. Other dates will vary according to a foundation's preferences for its fiscal year, grantmaking cycle, or frequency of grantmaking meetings. While foundations may hold as many grant allocation meetings as they choose each year and may incorporate a preliminary application step in their activities, for the sake of simplicity, this calendar shows the activities of a foundation that conducts two semi-annual meetings and does not require preliminary applications.*



**SAMPLE****DOCUMENT RETENTION POLICY**

The foundation's founding documents and legal papers, including by-laws, the trust instrument or articles of incorporation, amendments, and the IRS letter and application for tax exemption, shall be kept permanently in a secured, fireproof location. The same provision shall be made for other records selected for permanent safekeeping. The secretary of the board has responsibility for maintaining and safeguarding the official records of the foundation. If or when the foundation has reached a level of achievement that deserves to be preserved for posterity, the board shall develop an additional policy designating the materials to be archived and the location of such archives.

Other records shall be maintained in the office of the foundation for the periods set out in the accompanying chart. Individual trustees may retain their own copies of documents according to the chart but will not have responsibility for the official records.

The secretary of the board, or appointee, shall ensure the proper maintenance, and backups onto labeled and accessible media, of electronic records.

**A note concerning your own documents:**

Copious amounts of interesting written material come trustees' way. Trustees should carefully filter out information that can be accessed electronically. If unnecessary or obsolete items are not routinely culled from trustees' working files at least once a year, the files will soon become cumbersome and inefficient.

Organizing your historical files methodically and maintaining them electronically whenever possible will make occasional referral to noncurrent materials easy and reliable, freeing space and simplifying the management of essential information.

**SAMPLE**  
**DOCUMENT RETENTION CHART**

Area of Operation	Permanent	10 Years	7 Years	3 Years
<b>Founding Papers and Legal Documents</b>	Trust instrument, articles of incorporation, by-laws and amendments, IRS letter and application for tax exemption			
<b>Board Records</b>	Minutes of meetings, financial policies			Board Code Of Conduct and disclosures
<b>Grantmaking Records</b>	Grant reports, list of cumulative grants		Grant records, including annual financial records of grants, contributions correspondence, grantee IRS determination letters and verification, and matching gift records	General grant correspondence such as letters of inquiry and all applications
<b>Accounting Records</b>	Tax returns with attachments, audits	Tax worksheets	Accounting records including bank statements and reconciliations, checks, budget and expense reports, check requests and invoices, depreciation schedules, general ledger, general journal, payments to trustees, investment reports, payroll taxes, and security brokerage slips	Paychecks, bank deposit slips, and interim financial statements
<b>Employment, Administration, and Insurance Records</b>	Employment policies, and benefit and salary information, real estate deeds	Real estate records and mortgages, insurance policies	Contracts, leases; Workers' Compensation insurance policies; employment records including applications, personnel files, time reports, unemployment claims, withholding exemptions, workers' compensation reports, and W-2 forms	General correspondence, insurance policy confirmations from insurance agent

## V. RESOURCES

- A. Sources of helpful information
- B. Glossary of terms
- C. GMA services to foundations
- D. GMA staff

## GENERAL RESOURCES LIST

### Grantmaking, Administrative, Financial and Advisory Services

GMA Foundations  
 77 Summer Street  
 Suite 800  
 Boston, MA 02110  
 617-426-7080 phone  
 617-426- 7087 fax  
[www.gmafoundations.com](http://www.gmafoundations.com)

### Organizations and Websites

Associated Grant Makers  
 Boston, MA  
 617-427-2606  
[www.agmconnect.org](http://www.agmconnect.org)

Foundation Center  
 New York, NY  
 212-620-4230  
[www.fdncenter.org](http://www.fdncenter.org)

Association of Small Foundations,  
 Washington, DC  
 202-580-6560  
[www.smallfoundations.org](http://www.smallfoundations.org)

GrantCraft, The Ford Foundation  
 New York, NY  
 212-573-4879  
[www.grantcraft.org](http://www.grantcraft.org)

BoardSource  
 Washington, DC  
 202-452-6262  
[www.boardsource.org](http://www.boardsource.org)

Grantmakers for Effective Organizations  
 Washington, DC  
 202-989-1840  
[www.geofunders.org](http://www.geofunders.org)

Center for Effective Philanthropy  
 Cambridge, MA  
 617-492-0800  
[www.effectivephilanthropy.org](http://www.effectivephilanthropy.org)

GuideStar  
 Williamsburg, VA  
 757-229-4631  
[www.GuideStar.org](http://www.GuideStar.org)

Charity Navigator  
 Mahwah, NJ  
 201-818-1288  
[www.charitynavigator.org](http://www.charitynavigator.org)

Internal Revenue Service  
 offices nationwide  
 877-829-5500  
[www.irs.gov/charities](http://www.irs.gov/charities)

Council on Foundations  
 Arlington, VA  
 202-466-6512  
[www.cof.org](http://www.cof.org)

National Center for Family Philanthropy  
 Washington, DC  
 202-293-3424  
[www.ncfp.org](http://www.ncfp.org)

Forum of Regional Associations of Grantmakers  
 Washington, DC  
 212-467-1120  
[www.GivingForum.org](http://www.GivingForum.org)

## Books

The following books were used in assembling this manual. They are but a few among many offering in-depth information and advice. The websites listed on the preceding page can guide trustees to a variety of other books which address in detail topics of specific interest.

**Beggs, Sara, Erica Johnson, and Jack Thomas**, *The New Foundation Guidebook: Building a Strong Foundation* (Washington, DC: Assn. of Small Foundations, 2003)

**Bobowick, Marla, Sandra Hughes, and Berit Lakey**, *Transforming Board Structure* (Washington, DC: BoardSource, 2001)

**Council on Foundations**, *Family Foundation Library Series, four volumes: Management, Grantmaking, Family Issues and Governance* (Washington, DC: Council on Foundations, 1997)

**FSG Social Impact Advisors**, *From Insight to Action: New Directions in Foundation Evaluation*, (Boston, MA: 2007)

**Flather, Newell, Mary Phillips, and Jean Whitney** *Governance of Family Foundations, Family Foundation Library Series* (Washington, DC: Council on Foundations, 1997)

**Nason, John W.**, *Foundation Trusteeship: Service in the Public Interest* (New York, NY: The Foundation Center, 1989)

**Hull, Robert A.**, *The Trustee Notebook* (Washington, DC: National Center for Family Philanthropy, 1999)

**Siegel, Jack B.**, *A Desktop Guide for Nonprofit Directors, Officers, and Advisors* (Hoboken, NJ: Wiley & Sons, 2006)

## Periodicals

Chronicle of Philanthropy  
Washington, DC  
202-466-1200  
[www.philanthropy.com](http://www.philanthropy.com)

The NonProfit Times  
Morris Plains, NJ  
973-401-0202  
[www.nptimes.com](http://www.nptimes.com)

Stanford Social Innovation Review  
Stanford, CA  
888-488-6596  
[www.ssireview.org](http://www.ssireview.org)

## GLOSSARY OF TERMS

The definitions below are drawn from a glossary developed by the Forum of Regional Associations of Grantmakers. We have edited some entries and supplemented the list with items from The Foundation Center's on-line glossary and definitions from the Council on Foundations and the Association of Small Foundations.

**501(c)(3):** Section of the Internal Revenue Code that designates an organization as charitable and tax-exempt. Qualifying under this section are religious, educational, charitable, amateur athletic, scientific or literary groups, organizations testing for public safety and organizations involved in prevention of cruelty to children or animals.

**509(a):** Section of the tax code that defines public charities (as opposed to private foundations). A 501(c)(3) organization also must have a 509(a) designation to further define the agency as a public charity and "not a private foundation."

**Capital support:** Funds provided for endowment purposes, buildings, construction, or equipment.

**Challenge grant:** A grant that is made on the condition that other funding be secured, either on a matching basis or some other formula, usually within a specified period of time, with the objective of encouraging expanded fundraising from additional sources.

**Community foundation:** Tax-exempt, nonprofit, autonomous, and publicly supported, philanthropic institution composed primarily of permanent funds established by many separate donors for the long-term, diverse, charitable benefit of the residents of a defined geographic area.

**Designated funds:** Funds in which the beneficiaries and purposes are specified by the grantors.

**Directors and Officers Insurance:** This liability insurance provides board members and foundation officers with protection from claims of wrongful acts within the foundation. Comprehensive policies may also cover the foundation and its assets, employees, and volunteers. Some laws may immunize board members and/or volunteers but not the organization itself. Unstaffed foundations are unlikely to face employment-related claims but could face charges such as discrimination or mismanagement of funds. Coverage may include legal defense costs as well as any settlements.

**Discretionary funds:** Grant funds distributed at the discretion of one or more trustees or staff, which usually do not require prior approval by a foundation's full board of directors. In community foundations, the term has a different meaning. There, discretionary funds have been conveyed to the foundation with no restrictions or with broadly defined fields of interest, and unlike donor-advised funds, they may be directed at the discretion of the foundation's board.

**Donor advised fund:** A fund held by a community foundation or other public charity, where the donor, or a committee appointed by the donor, may recommend eligible charitable recipients for grants from the fund. The public charity's governing body must be free to accept or reject the recommendations.

**Donor designated fund:** A fund held by a community foundation where the donor has specified that the fund's income or assets be used for the benefit of one or more specific public charities. These funds are sometimes established by a transfer of assets by a public charity to a fund designated for its own benefit, in which case they may be known as grantee endowments. The community foundation's governing body must have the power to redirect resources in the fund if it determines that the donor's restriction is unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served.

**Endowment:** Permanent grants, lifetime gifts, and bequests that are accepted, generally subject to a requirement that the principal be maintained intact and invested to create a source of income. Endowment funds can be for either restricted or unrestricted purposes.

**Family foundation:** "Family foundation" is not a legal term. The Council on Foundations defines a family foundation as one whose funds are derived from members of a single family. At least one family member continues to serve as an officer or board member of the foundation, and they or their descendants play a significant role in governing and/or managing the foundation throughout its life. Most of the private foundations in this country are believed to be family foundations run by relatives who serve as trustees or directors on a voluntary basis, receiving no compensation.

**Federated giving programs:** Joint fundraising efforts, usually administered by a nonprofit umbrella organization that in turn distributes the contributed funds to multiple nonprofit agencies. United Way and community chests or funds, the United Jewish Appeal and other religious appeals, the United Negro College Fund, and joint arts councils are examples of federated giving programs.

**Field of interest fund:** A fund held by a community foundation that is used for a specific charitable purpose such as education or health research.

**Guidelines:** Procedures set forth by funders that grantseekers should follow. Unlike a donor's trust instrument, guidelines typically can be modified by the board over time.

**In-kind contribution:** A donation of goods or services rather than cash or appreciated property.

**Independent foundation:** Occasionally termed "nonoperating" because it does not run its own programs, an independent foundation makes grants to other tax-exempt organizations to carry out its charitable purposes. It must make charitable expenditures of approximately 5% of the market value of its assets each year. Although exempt from federal income tax, it must pay a yearly excise tax of 1%-2% of its net investment income.

**Leverage Grantmaking:** The practice of giving money in ways that will achieve greater than usual results. For example, a leverage grant may be made with the express purpose of influencing other donors to contribute or of providing the organization with the tools it needs to raise other kinds of funds. Sometimes this is known as the multiplier effect.

**Logic model:** A disciplined and visual framework that summarizes the key resources and activities of a program, the rationale on which the program is based, and the intended outcomes. It shows how the results will be measured and the cause-and-effect relationship between the elements of the program and its outcomes.

**Matching grant:** A grant or gift made with the specification that the amount donated must be matched on a one-for-one or two-for-one basis or according to some other prescribed formula.

**Operating foundation:** A private foundation that uses the bulk of its income to provide charitable services or programs of its own. Such foundations make few, if any, grants to outside organizations. To qualify as an operating foundation, specific rules, in addition to the applicable rules for private foundations, must be followed.

**Operating support:** An unrestricted grant given to cover an organization's day-to-day operations and ongoing expenses, such as salaries, utilities or office supplies. Also known as general operating support, this money furthers the general purpose or work of an organization rather than a specific purpose or project.

**Payout requirement:** The minimum amount that a private foundation is required to expend for charitable purposes each year. It includes grants and necessary and reasonable administrative expenses. In general, a private foundation must annually distribute at least 5% of its assets, based on the average monthly market value of those assets for the prior fiscal year. This payout obligation must be fulfilled by the end of the year following the year for which the payout was determined.

**Pension Protection Act of 2006:** A piece of legislation with numerous provisions affecting grantmakers with respect to penalty excise taxes, supporting organizations, and expansion of the base for the tax on investment income, donor advised funds, and the IRA charitable rollover.

**Philanthropic advisory firm:** A professional company that offers needed services to philanthropic individuals, families, foundations, and businesses in order to help them achieve their charitable goals.

**Pledge:** According to the Council on Foundations, a legally binding pledge, such as a personal pledge to a charity, is a personal debt, and if a disqualified person makes such a pledge, it's an impermissible act of self-dealing for a foundation to pay that debt. State law determines whether a pledge is legally binding.

**Private foundation:** A tax-exempt, nonprofit organization with funds (usually from a single source, such as a family or corporation) and program managed by its own trustees or directors, established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through grantmaking. U.S. private foundations are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are classified by the IRS as a private foundation as defined in the code.

**Program officers:** Staff members of foundations who review grant proposals and process applications for the board of trustees.

**Program-related investments:** Loans or other investments made by a foundation to another organization at a below-market rate of interest for a project related to the foundation's philanthropic purposes and interests. Such a loan or investment can be counted as a grant at the time it is made or it can be converted to a grant if the amount due is not paid. If the amount due is paid, it cannot be counted as part of the foundation's required payout.

**Public charity:** A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that receives its financial support from a broad segment of the general public, such as individual donors, private foundations, corporations, and units of government. Religious, educational, and medical institutions are deemed to be public charities. Other organizations exempt under Section 501(c)(3) must pass a public support test to be considered public charities, or must be formed to benefit an organization that is a public charity. Charitable organizations that are not public charities are private foundations and are subject to more stringent regulatory and reporting requirements.

**Public foundation:** The IRS recognizes public foundations, along with community foundations, as public charities and permits them advantageous treatment relating to contributions and investment revenue. As distinguished from most public charities, public foundations focus more on grantmaking than on providing direct charitable services. They may, however, do both. Like all public charities, they must receive at least a third of their annual support from multiple individuals and organizations, demonstrating that they enjoy public acceptance and support and are not controlled by a small group of donors.

**Public Support Test:** This is the standard by which the IRS determines whether a foundation shall be categorized as a public charity or a private foundation. A public foundation (or public charity) must either receive at least one-third of its income from governmental units or the general public in the form of gifts rather than program revenue, or it must receive at least 10% from these sources and meet other tests (e.g., have a broadly representative board of directors and actively look for money).

**Qualifying distributions:** Expenditures of a private foundation made to satisfy its annual payout requirement. These can include grants, reasonable administrative expenses, set-asides, loans and program-related investments, and amounts paid to acquire assets used directly in carrying out tax-exempt purposes.

**Query letter:** Also known as a letter of intent, this is a brief letter outlining an organization's activities and its request for funding. It is sent to a potential grantmaker in order to determine whether it would be appropriate to submit a full grant proposal.

**Restricted funds:** Assets or income that is limited in its use, in the types of organizations that may receive grants from it, or in the procedures used to make grants from such funds.

**Sarbanes-Oxley Act:** Primarily affecting publicly traded companies, this 2002 congressional act established new governance standards that expand board members' duties in overseeing financial transactions and auditing procedures. It affects nonprofits by regulating document destruction and providing legal protection for whistle-blowers. In order to maintain trust in the nonprofit sector and in anticipation of potential laws that could affect them, some foundations and other organizations are considering voluntarily adopting certain governance practices and auditing procedures.

**Seed money:** A grant or contribution used to start a new project or organization.

**Set-asides:** Funds set aside by a foundation for a specific purpose or project that are counted as qualifying distributions toward the foundation's annual payout requirement. Amounts for the project must be paid within five years of the first set-aside.

**Social investing:** Also referred to as ethical investing, socially responsible investing, and socially responsive investing, this is the practice of aligning a foundation's investment policies with its mission. This may include making program-related investments, refraining from investing in corporations with products or policies inconsistent with the foundation's values, or using the foundation's investments as a tool for advancing charitable interests. In some cases it is initiated by shareholder resolutions.

**Supporting organization:** Common among community foundations, these distinct legal entities are not required to meet the public support test because they support a public charity. They must meet one of three complex legal tests that assure, at a minimum, that the organization being supported has some influence over the supporting organization.

**Technical assistance:** Operational or management assistance given to a nonprofit organization. It can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing, and other aids to management. Assistance may be offered directly by a foundation or corporate staff member or in the form of a grant to pay for the services of an outside consultant.

**Tipping:** The process by which a public charity is converted, usually involuntarily, to private charity status. This occurs when the organization fails to meet the public support test. (See supporting organization and public support test.) For example, a private foundation can inadvertently "tip" a public charity through support so generous that it causes the charity to fail the public support test.

**Unrestricted funds:** Normally found at community foundations, an unrestricted (or discretionary) fund is one that is not specifically designated to particular uses by the donor, or for which restrictions have expired or been removed.

**Venture philanthropy:** Borrowing practices from the venture capital world to invest in nonprofits in order to build their capacity effectively, venture philanthropists value such investments in terms of the social returns.

## GMA SERVICES TO FOUNDATIONS

GMA Foundations is proud to serve an array of clients whose assets range from under \$5,000,000 to over \$350,000,000, whose interests can be specific and local or can span the globe, and whose influence extends throughout almost every area of philanthropic endeavor. We offer assistance in the areas of **grantmaking, consulting, administration,** and **financial management.** Every aspect of our services is customized to meet the needs and preferences of our clients.

No matter what type or level of assistance our clients require, GMA recognizes their desire to be prudent stewards of the charitable resources they oversee. We seek to minimize costs and enable client foundations to retain the greatest possible amount of funds for charitable giving. Our model of shared staff gives clients the opportunity to draw on the knowledge and experiences of all of our professionals and ensures accessibility and continuity of service should there be staff absence or turnover.

**Grantmaking:** Strategic and creative grantmaking services are the hallmark of GMA. We are experienced in all elements of the grantmaking cycle, knowledgeable about the many participants in the nonprofit community, and conscious of broad philanthropic issues, trends and possibilities. We help donors define and articulate their philanthropic mission, produce and disseminate guidelines and procedures, and perform all necessary paperwork and communication. We research program areas, review grant proposals, perform site visits, summarize proposals and make recommendations for busy trustees. We organize, facilitate and document trustee meetings and help trustees find ways to develop consensus about funding decisions. We help ensure that the foundation is in compliance with regulations. We review reports from grantees to

assess whether grant money was spent for the purpose and in the way it was approved and whether or not the project or program achieved its objectives. We produce annual reports of grants and special reports as needed. We also analyze the effectiveness of prior grants and assess donors' overall grantmaking programs.

GMA researches fields of interest, including **arts and culture, education, environment, health, human services, international affairs** (development, peace, and human rights), and **community development** (racial understanding, youth development, community improvement). We also have extensive grantmaking experience focusing on **target populations** or **geographic locations.** We conduct needs assessments and focus groups and help develop special funding initiatives. We convene meetings of grantees and perform grantmaking surveys. We provide training on grantmaking, including financial analysis of budgets, audits and IRS Form 990 as well as interviewing and site visit techniques. Whatever specific need a project may address, our grantmaking consulting practice seeks to help clients be as effective as possible in achieving their philanthropic aims.

**Administration:** GMA provides a range of office management and administrative services to accomplish foundations' day-to-day work competently and efficiently. Our level of involvement depends on each foundation's governance structure, level of activity, participation levels of board members, and staffing. We often act as a foundation's staff and headquarters, handling all administrative operations and communications and offering the advantage of a fully staffed, full-time foundation office, including back-up support, for the cost of part-time services.

**Consulting:** GMA offers assistance to individuals and families who are starting up their foundations as well as to the leaders of established foundations who wish to enhance their effectiveness or address specific challenges. On the basis of our work with more than 150 foundations over the past 25 years, we are experienced in finding ways to solve problems and unleash potential in almost every area of foundation endeavor. For example, our consultants guide clients in such areas as:

- establishing a governance structure and assessing management options
- coordinating the selection of legal, investment, and accounting services
- training and orienting new trustees and staff, and preparing job descriptions
- facilitating the articulation of the foundation's missions and defining fields of interest
- developing grantmaking guidelines and procedures
- designing and producing brochures and websites

We advise clients on matters that are as diverse as they are, including:

- issues of succession, such as eligibility for board membership and the development of needed skills for next-generation family members and successor trustees
- spending policies, discretionary grants, and perpetuity vs. spend down options
- avoiding conflicts of interest
- governance structure, nominating process, and performance review process for foundation trustees
- internal financial and administrative systems
- compensation

We also facilitate board meetings, retreats and workshops.

**Financial management:** Our financial services typically include performing basic bookkeeping tasks, paying bills, issuing grant checks, reconciling bank statements and/or investment reports, processing estimated tax payments, analyzing budgets and cash flows, preparing and filing IRS Forms 1099 and 1096, and filing annual reports with the Secretary of State's office. In addition we work closely with our foundation clients' accountants to assist in the preparation of the Form 990-PF and state forms. We believe that the financial reports we provide to accountants greatly assist them in their preparation of the required returns, which can result in cost savings for the foundation and help avoid embarrassing mistakes. Most of our clients also find it useful to have us review their Form-990PF and state forms, once they are prepared in draft form by their accountants. We are sufficiently familiar with these returns to be able to pick up small preparer mistakes and sometimes major errors and problems. Once final tax forms are received, we coordinate the signature process and file the forms by certified mail. As with our administrative and grantmaking services, we can customize our financial services to meet our clients' specific needs.

## GMA STAFF

At GMA Foundations, our practice is to assign a lead partner to a client foundation and then to make available the collective experience and wisdom of our team to support the client's philanthropic goals. We invite you to call our President, Mary Phillips, to discuss your needs and identify the best mix of services, strategies and personnel to meet them.

## PARTNERS

**Mary Phillips** is a founding partner and President of GMA Foundations, where she has worked since 1982 helping private donors develop effective grantmaking programs and practices. She leads the consulting services at GMA, advising clients in program design and assessment, governance structures, grantmaking, training, retreat planning and facilitation, foundation start-up services, management, and financial planning. She also serves as program staff for the Samuel P. Pardoe Foundation and the Charles Hayden Foundation. Mary is experienced in the areas of youth development, education, race relations, and social services. She established one of the first programs in the country that involved a youth committee in the grantmaking of a local funder and has twice facilitated the Council on Foundations' Next Generation Retreat, a biennial education and training program for next generation family foundation trustees. She has worked extensively with foundations to develop effective ways to communicate with grantees and provide assistance beyond grants. She has served as co-chair of AGM's Diversity Internship Committee and as chair of a local human rights commission. She is treasurer of Boston Education Funders. Mary co-authored the Governance volume of the Family Foundation Library Series, which was published by the Council on Foundations. She has presented and facilitated for the Council on Foundations and the Association of Small Foundations, among other local and national philanthropic associations. She is a founding member of the National Network of Consultants to Grantmakers. Mary is Chair of the Board of the Associated Grant Makers (AGM), a

New England-wide, regional association of grantmakers. She has a Masters of Science in Leadership and Organizational Change from Regis College, and is a cum laude graduate of Emerson College with a B.S. in Business and Organizational Communication.

**Newell Flather** has worked in the foundation field since 1971. He served as a vice president at the Boston Company, and went on to found Grants Management Associates (later renamed GMA Foundations) in 1982 where he served as President until he was succeeded by Mary Phillips in 2007. His grantmaking experience ranges from health and the arts to issues of race and poverty both in urban America and the Third World. Newell has served as chairperson of the Associated Grant Makers, chairman of the Council on Foundations' Membership Committee, founding trustee and chairman of Oxfam America, trustee of World Learning, director of the National Peace Corps Association, trustee of Women & Philanthropy, and overseer of the Heller School at Brandeis University. He is president of the Theodore Edson Parker Foundation, and a trustee of both the Fund for the Arts and the Rebecca Pomroy Foundation. He is a member of the development committee at the Massachusetts Historical Society, chairman of his Harvard class committee, and a member of the Executive Committee of the Boston Study Group. Newell has been a trustee of the Beldon Fund, a progressive national environmental funder, a member of the Visiting Committee for the Harvard Graduate School of Design, a director of the Harvard Alumni Association, chairperson of the Fellows Committee at the Massachusetts Historical Society, and an overseer at the Boston Museum of Science. With Mary Phillips and Jean Whitney, Newell co-authored the Governance volume of the Family Foundation Library Series, which was published by the Council on Foundations. Newell is a graduate of Harvard College, Harvard Business School, and Columbia University, where he was an International Ford Fellow. He taught high school in Ghana, as a member of the first group of Peace Corps volunteers to go into service.

**Philip Hall** has played a major role in expanding and deepening clients' grantmaking effectiveness since 1988. Phil serves as lead staff for the Jessie B. Cox Charitable Trust and the Theodore Edson Parker Foundation through which he helped create a new community foundation in Lowell, MA. He oversees the foundation's fellowship program for up-and-coming young people in Lowell. He has worked with trustees of several foundations, including the Foley Hoag Foundation, to develop high impact grants to address urban needs, poverty, and racism. Over the years, he has participated in significant grantmaking collaboratives in Boston, and has served on Boston host committees for the National Network of Grantmakers and the Neighborhood Funders Group. Phil also serves as a regular consultant to the Clowes Fund, an Indianapolis Foundation with a grantmaking interest in Boston, and the William E. Schrafft and Bertha E. Schrafft Charitable Trust, another Boston funder. He has served for many years as a consultant for the Mabel Louise Riley Foundation. Phil is GMA's Director of Grantmaking Services, including its open house series for nonprofit organizations. Phil is an honors graduate of Marlboro College and holds a masters degree in piano performance from Boston University.

**Pamela Labonte Maksy** has coordinated GMA's financial services to clients since joining the company in 1998, following ten years of work in business and education. She provides and oversees customized accounting, bookkeeping, and administrative services for nineteen of GMA's client foundations and participates in a number of GMA's consulting projects. She serves as the financial manager for the Needmor Fund and the Roxbury Community College Foundation. Pamela has served as Chair of the Board of Selectmen for the Town of Middleborough, Massachusetts and has managed several local political campaigns. She is a cum laude graduate of the College of the Holy Cross, where she was admitted into Phi Beta Kappa.

**Amy Segal Shorey** joined GMA in 1995, after working in community agencies and the health

care industry, including positions at Massachusetts General Hospital and Neighborhood Health Plan. She serves as foundation administrator for the Anna B. Stearns Charitable Foundation, the Herman and Frieda L. Miller Foundation, and the Physicians' Foundation for Health Systems Excellence. She is also a program office for the Jessie B. Cox Charitable Trust. In addition to her ongoing grantmaking responsibilities for these foundations, Amy is a resource for other clients at GMA and is a member of the company's consulting team. Her areas of expertise include health, human services, civic engagement and new philanthropic vehicles. Amy is a member of the board of Women & Philanthropy, a project of the Council on Foundations, and serves on the steering committee of Greater Boston Funders for Women & Girls. Amy is a graduate of Yale College, and of the Harvard Business School, where she was co-president of the Women Students Association.

**Prentice Zinn** is an administrator for the Conservation, Food & Health Foundation, the Dolphin Trust, the Sociological Initiatives Foundation, the A.C. Ratshesky Foundation, the Miller Foundation, the NLT Foundation and the Jessie B. Cox Charitable Trust. The scope of his assignments includes work with new donors starting out, helping foundations rethink their mission and focus, and identifying high impact funding opportunities in the fields of the environment, health care, and the arts. Prior to joining GMA, he was a program associate of the Boston Foundation as well as developing human service and health promotion programs at community agencies, hospitals, and research centers in Detroit and Denver. Fluent in Spanish, his consulting portfolio includes training and research projects in AIDS prevention and access to medical care for Latinos. He is a member of Jamaica Plain Cohousing, and regularly serves on local funding and program advisory boards. A Latin American studies graduate of the University of Michigan, Prentice also has masters degrees from the University of Michigan School of Social Work and the Boston University School of Public Health.

## ASSOCIATES

**Margaret Carr** joined GMA Foundations in 2007 after 23 years of experience working with schools and colleges, health care institutions, and the U.S. Department of State. She serves as a program associate for the Clowes Fund and the William E. Schrafft and Bertha E. Schrafft Charitable Trust. She also administers the Boston Education Funders group, a collaborative of corporate grantmakers and foundation trustees and staff interested in public education. Margaret has served on the boards of the Massachusetts Society for the Prevention of Cruelty to Children, the National Cathedral School, and a private foundation that makes grants throughout the United States and in other countries. She has been a foster care reviewer for the Massachusetts Department of Children and Families for 15 years. Margaret has a BA from Williams College and an MBA from Harvard Business School.

**Kirstie David** is the foundation assistant for the Clipper Ship Foundation and the Theodore Edson Parker Foundation. Kirstie earned a B.A. in English from the University of Massachusetts at Amherst. Her nonprofit experience includes working in the Development and Publications Departments at the Unitarian Universalist Association.

**Susan Haff** is a foundation assistant for the Conservation, Food and Health Foundation, The Dolphin Trust, The Friendship Fund, The Lalor Foundation, and the A.C. Ratschesky Foundation. Susan earned a B.A. in American History from North Adams State College and an M.A. in American Social History from the University of Massachusetts at Amherst. She ran the public programs for Hancock Shaker Village in Pittsfield, Mass. She also administered a 21-site national quality of care study through Boston University School of Public Health and was administrative manager for an NIH-funded basic science research center at Tufts-New England Medical Center.

**Chaletta Huertas** joined GMA in July 2008. She serves as a program assistant for the Jessie B. Cox Trust, the Dolphin Trust, the Theodore Edson Parker Foundation, the A.C. Ratschesky Foundation, and the Conservation, Food and Health Foundation. Chaletta's grantmaking interests include program and policy evaluation, large-scale healthcare programs, mentoring at-risk and high-risk youth, and faith-based initiatives. Previously, Chaletta was an AGM Diversity Fellow with The Hyams Foundation. Prior to her fellowship, she founded and directed a college-preparation and mentoring program in Boston and evaluated federal healthcare programs and policies at the U.S. Department of Health & Human Services' Office of the Inspector General. Chaletta has a College Scholar degree from Cornell University's College of Arts & Sciences. Chaletta is a member of the Association of Black Foundation Executives, New England Blacks in Philanthropy, and Emerging Practitioners in Philanthropy.

**Michelle Jenney** administers the Tanne Foundation, which supports individual artists and arts organizations. She is the administrator of the Edwin S. Webster Foundation and provides administrative support to the Sociological Initiatives Foundation, the Dickler Family Foundation and the NLT Foundation. She is experienced in designing and developing publications that express the mission and guidelines of foundations as well as producing annual reports and other communications. She also participates in collaborative efforts involving Boston area arts funders. She is on the board of the Boston Women's Heritage Trail and is a volunteer at the Boston Public Library in community outreach activities and in the art and architecture tours program. She is a 1978 cum laude graduate of Boston's Suffolk University and was an administrator for many years at the Massachusetts Institute of Technology in Cambridge. She joined GMA in 1997.

**Tracy Little** joined GMA Foundations in 2004. She is program director for the Physicians' Foundation for Health Systems Excellence and the Lalor Foundation. Previously, Tracy served as the first program officer at the Northwest Health Foundation in Portland, Oregon, where she helped the board develop its funding priorities and establish its grantmaking programs. Over six years, Tracy's grantmaking portfolio included projects that focused on access to health care, adolescent health and school-based health centers. Particularly interested in evaluation, Tracy regularly attends Grantmakers in Health conferences and meetings of Grantmakers for Effective Organizations. Tracy has a BA in American Studies from Wheaton College.

**Brianna Lloyd** joined GMA in August 2008. She serves as the assistant to GMA's president, Mary Phillips. She also works as the foundation assistant for several client foundations, including the Charles Hayden Foundation, the Linden Foundation, the Ludcke Foundation, the Samuel P. Pardoe Foundation, and Sailors' Snug Harbor of Boston. Prior to joining GMA, Brianna served as an administrative and program assistant at the Carl and Ruth Shapiro Family Foundation. In addition to her philanthropic work, Brianna has experience in the areas of event planning, public relations, and communications. She is a 2004 graduate of Wellesley College and has taken graduate courses at the New England School of Art & Design at Suffolk University.

**Mary Nicosia** joined GMA in 2005 and serves as the grants manager for many of GMA's grantmaking and administrative clients. She is also the GMA office manager. Previously, Mary worked for the Boys and Girls Clubs of Boston and for the state of Massachusetts. She is fluent in Italian and has a Bachelors of Arts degree from Boston College in English and Italian Literature.

**Yasmin Shah** joined GMA in 2005. She currently works as a foundation assistant and program officer for the A.C. Ratshesky Foundation, the Rutland Corner Foundation, the Foley Hoag Foundation, and the Anna B. Stearns Charitable Foundation. Prior to joining GMA, Yasmin was employed in administrative and development support positions at social service nonprofit agencies in Rhode Island. She received her B.A. in psychology and English from Brown University. Yasmin spends her free time volunteering on the grantmaking committee of the Saffron Circle, Boston's first Asian giving circle, and is a member of Asian Americans/Pacific Islanders in Philanthropy (AAPIP) and Emerging Practitioners in Philanthropy (EPIP).

**Gracelaw Simmons** administers the grantmaking program of Sailors' Snug Harbor of Boston, a foundation with interests in elder services and the particular needs of Massachusetts fishing communities. She also serves as grants advisor to the Linden Foundation and the Ludcke Foundation. Prior to joining GMA, Gracelaw was a staff member and special projects consultant with Associated Grant Makers. She is past president of Social Justice for Women, a nonprofit provider of services to incarcerated women, and of the Massachusetts Maternity and Foundling Hospital Corporation, a grantmaking foundation that supports services for pregnant adolescents. She also co-chaired Boston's Women in Philanthropy group. She is on the board of the Royall House and Slave Quarters in Medford, which preserves and interprets the only remaining freestanding slave quarters in the northern United States and the adjacent 18th century mansion. Gracelaw has been an active volunteer in Medford's public education system, including serving as a mayoral appointee to the School Building Committee. She is a graduate of Barnard College and has a Masters degree in Library Science from Simmons College.

**Joel Springer** is part of GMA's financial services team. Specializing in accounting and financial reporting, he assists with all aspects of our clients' financial management and bookkeeping needs. When not at GMA, he is an instrumental jazz teacher and provides accounting assistance to Adbar Ethiopian Women's Alliance. He has also given accounting support to Bread and Jams, a homeless self-advocacy center. He earned a B.S. from Indiana University, an M.M. from New England Conservatory, and a Certificate in Accounting from Northeastern University.

**Lauren Tulp** began working at GMA in August 2008. She serves as the program assistant for the Physicians' Foundation. She also works as the foundation assistant for the Discount Foundation and the Herman and Frieda L. Miller Foundation. Lauren came to GMA after a Center for Public Interest Careers fellowship year at Strong Women, Strong Girls, a nonprofit girls mentoring program based in Boston. She is a 2007 graduate of Harvard College, with a B.A. in Social Studies.



**GMA FOUNDATIONS**

[www.gmafoundations.com](http://www.gmafoundations.com)