

Figure 1:

REASONS FAMILIES ESTABLISH DISCRETIONARY GRANTS PROGRAMS

Many families find that discretionary grants can be an effective way of encouraging and rewarding trustee participation. Common reasons for developing a discretionary grants policy include:

- 1) To encourage the ongoing participation of geographically dispersed boards.
- 2) To help trustees with basic ideological differences get along together, and keep their focus on the core grantmaking of the foundation.
- 3) To encourage trustees' interest in philanthropy and specific issue areas.
- 4) To recognize and encourage outside board and volunteer service.
- 5) To allow for quick turnaround and response to national disasters and local emergencies.
- 6) To train new or future trustees in the work of the foundation and the grant-making process.
- 7) To bring clarity to the overall grant-making of the foundation, by requiring that all other (non-discretionary) grants must fit strictly within the program areas of the foundation.