



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

SPLENDID LEGACY

CREATING AND RE-CREATING

YOUR FAMILY FOUNDATION



Library of Congress Cataloging-in-Publication Data

Splendid legacy 2 : creating and recreating your family foundation /

Edited by Virginia M. Esposito

332 p. cm.

Includes biographical references and index.

ISBN 978-0-692-79254-4

1. Endowments — United States — Handbooks, manuals, etc.
2. Charitable uses, trusts, and foundations — United States — Handbooks, manuals, etc.
3. Family — United States. I. Esposito, Virginia M., 1952- II. National Center for Family Philanthropy (U.S.)

© 2017 National Center for Family Philanthropy

All rights reserved.

No part of this work may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system without the prior written permission of the copyright owner unless such copying is expressly permitted by federal copyright law.

Printed in the United States of America

National Center for Family Philanthropy

1667 K St NW Suite 550

Washington, DC 20006

Tel: 202-293-3424

Fax: 202-293-3395

www.ncfp.org

CONTENTS

7 I. CREATING YOUR FAMILY FOUNDATION

- 8 FOREWORD, by Debbie and Paul Brainerd
- 10 INTRODUCTION, by Virginia M. Esposito
- 12 CORE VALUES OF A SPLENDID LEGACY, by Sarah Jane Cavanaugh
- 26 GOALS AND MISSION, by Virginia M. Esposito
- 50 ETHICS IN FAMILY PHILANTHROPY, by Michael Rion
- 60 THINGS I WISH OUR FOUNDERS HAD TOLD US, by Susan Packard Orr
- 62 ONE FAMILY'S STORY, A CONVERSATION WITH BILL GATES, SR.

67 II. CREATING YOUR FRAMEWORK

- 68 FAMILY FOUNDATIONS AND THE LAW, by John Sare
- 94 FUNDING YOUR FAMILY FOUNDATION, by Antonia M. Grumbach, with a 2017 review and update by John Sare and Brian Sweet
- 100 GOOD GOVERNANCE: THE FOUNDATION IMPERATIVE, by Virginia M. Esposito
- 134 MANAGING YOUR FAMILY FOUNDATION, by Elaine Gast Fawcett
- 168 FINANCE AND INVESTMENTS, by Jason Born, Pam Howell-Beach, and Sarah Stranahan

199 III. CREATING YOUR PROCESSES

- 200 EFFECTIVE GRANTMAKING: THE FULFILLMENT OF YOUR MISSION, by Susan Crites Price
- 230 COMMUNICATIONS: ENHANCING PROCESS, PARTICIPATION, AND THE PUBLIC FACE OF YOUR FOUNDATION, by Nina Sachdev Hoffman and Vincent Stehle

251 IV. RE-CREATING AND REVITALIZING

- 252 ENGAGING THE NEXT GENERATION, by Susan Crites Price
- 266 ASSESSMENT AND RENEWAL, by Virginia M. Esposito and Peter Panepento

281 V. COMMENCEMENT

- 282 THE CURRENCY OF TRUSTEESHIP: TOOLS FOR THE WORK OF GOVERNANCE, by David Dodson
- 290 THE SPIRIT OF PHILANTHROPY AND THE SOUL OF THOSE WHO MANAGE IT, by Paul Ylvisaker

297 VI. APPENDICES

- 298 GLOSSARY
- 308 SPLENDID LEGACY ONLINE
- 309 BIOGRAPHIES: EDITORS, AUTHORS, AND CONTRIBUTORS
- 313 ACKNOWLEDGMENTS
- 317 INDEX
- 322 ABOUT THE NATIONAL CENTER FOR FAMILY PHILANTHROPY

CARRYING YOUR WORK FORWARD

Assessment, Renewal, and the Healthy Family Foundation

BY VIRGINIA ESPOSITO AND PETER PANEPENTO

Much like starting a business, creating a new family foundation summons enthusiasm and excitement in its founders that is both inspiring and difficult to sustain.

266

CARRYING YOUR WORK FORWARD

During the early months and years of your work, you and your family will be buoyed by seeing your first rounds of grants touching lives and impacting your community. Your heart will be warmed by engaging your children in philanthropy and bringing distant siblings together around shared interests. You will experience optimism for what your foundation can accomplish.

Over time, though, a routine may set in. You will be making meaningful grants but might begin to wonder if an end to root problems is possible. No matter how good your intentions, your family will not always agree on how to best achieve your philanthropic goals — and, indeed, there may be tension.

Philanthropy is messy work. We tackle problems that are difficult to solve and our resources — while significant — are often not enough to achieve change on their own.

But when the glow of your new undertaking starts to fade, it's important to remember that your work is making a difference. Even more important, though, is the need to think about how you can sustain your energy and enthusiasm for the work — and continually strive to improve.

Thankfully, as the field of family philanthropy has evolved, so, too has our understanding of how to carry our work forward — and how to ensure that this work is having an impact.

By creating systems for assessing our work — and the impact of that work on our grantees and ultimately the people we serve — we can provide ourselves with opportunities to learn and grow. Through these processes, we can also find opportunities to renew our energy and new approaches to push our work forward and achieve even greater results.

Part I: Assessment

Foundations are unlike any other type of organization. Unlike businesses, they don't exist to make a profit. Unlike government, their leaders are not elected, nor do they collect taxes or fees. Unlike nonprofits, they don't typically engage in the direct service or advocacy work that's needed to bring change — instead, they support other nonprofits to help achieve the donor's vision.

While we have clear metrics for gauging success for these other entities — profits and revenues, election results and balanced budgets, money raised and lives affected — foundations operate under a different set of conditions. As a result, foundations face unique challenges when they attempt to assess the impact of their work.

But while your family foundation isn't ruled by the same market forces that helped your family accumulate its wealth, you will undoubtedly want to find out whether your work is making a difference and whether your organization is operating efficiently. To do that, you will need to collect data and information to help refine your practices and improve your results.

The challenge is figuring out what to measure — and determining how to use the information you collect to improve and grow as a family foundation.

Unfortunately, there is no one set of tools to help foundations assess their impact. It might seem cliché, but foundations are like snowflakes. Just as each family is different, so, too, is each family foundation. Each has its own mission, resources, and approach. And, because of this, it's virtually impossible to suggest a uniform set of metrics for family foundations that will accurately assess their effectiveness and impact.

As a result, your family will have to develop its own system for assessing its work.

The good news is that the field is becoming increasingly aware of and adept at assessing impact. The National Center for Family Philanthropy, based on the research that gave the field *Generations of Giving*, has developed Pursuit of Excellence, the only comprehensive self-assessment process that includes both family and board competencies. (See Box on page 268.)

In addition, groups like the Center for Effective Philanthropy and Grantmakers for Effective Organizations have made assessment and impact their mission. And discussions and case studies about assessment are front and center at gatherings hosted by the National Center for Family Philanthropy and other philanthropic support organizations.

Pursuit of Excellence Board Self-Assessment Tool

NCFP's Pursuit of Excellence Board Self-Assessment Tool is designed to help family foundation boards understand their current performance as they strive for greater effectiveness. POE walks boards through a powerful self-assessment process to quickly pinpoint areas of shared interest for the group. Unlike other board self-assessment tools, POE focuses on the family-specific aspects of governing and managing a foundation. POE is designed to:

- **Quickly assess strengths and weaknesses:** Board members complete a 15-minute questionnaire to review current practices in grantmaking strategy, governance, and other family-specific aspects of managing a foundation.
- **Identify areas of shared interest and concern:** Based on responses to the assessment tool from your board members (and staff), you'll receive a comprehensive report providing instant insight into your foundation's current strengths and weaknesses, and areas where perceptions of effectiveness may differ.
- **Create an action plan for moving forward:** Reviewing the results of your POE Assessment Report will allow you to identify areas needing improvement or a new approach. You'll create a customized action plan for moving forward, with special access to the examples and practices of other family foundations that have faced similar challenges.

To learn more, visit www.ncfp.org or contact 202.293.3424.

As you dig into this topic, it's important to remember that assessment isn't about nitpicking what's wrong or finding fault in the work of your staff, board, or grantees. Instead, it's an opportunity to identify what's working and to learn lessons that will help you refine your work moving forward. Ideally, you will use these lessons to help improve your approach and results, help your grantees get more traction from their work, and provide insights that can help other foundations become more effective with their own efforts to make change.

Assessment also gives you the freedom to take risks. Many families start foundations because they have a desire to help change the world by using their capital to approach problems in new ways. But to take these new approaches, we need to take chances — and to understand that some of what we try will not work.

Through assessment, we can identify what's working and what isn't — and use what we learn, including our mistakes and failures, to adapt and grow.

“Rather than throw out a theory of change or a model for addressing a specific issue when it does not give us the desired results, we should work with grantees to dissect it, understand

the flaws, figure out the components of the model that do and don't work," writes Katherine Lorenz, and NCFP Fellow and the President of the Cynthia and George Mitchell Foundation. "Get curious about why a program or grant doesn't work — and then take those lessons forward in creating an improved model."

For more discussions of learning from mistakes and taking risks, as well as sample board and staff performance assessment tools, see Splendid Legacy Online at www.splendidlegacy.org.

This process requires us to think about assessment through two lenses — internal and external.

Your internal lenses focus on how your foundation operates. How effective is your leadership and staff? Is the family providing appropriate guidance? Is your board maximizing its expertise to help your foundation achieve results?

Your external lenses focus on the outcomes of your foundation's work. Are individual grants achieving their goals? Are you working with organizations that are equipped to make a difference? Is your grantmaking achieving its desired results?

As we've noted, there is no one way to set up systems that answer these important questions. But below are some suggestions about how you can assess your family's work through these lenses — with an eye toward keeping your philanthropy fresh, rewarding, and impactful.

Internal Assessments

Effective assessment begins by looking inward. While many foundations understandably spend a lot of time finding ways to assess the impact of their grantmaking, it's also vitally important to take stock of their internal operations.

As you attempt to gain an understanding of our internal effectiveness, your family will likely consider assessing the following aspects of its operations:

- Your family
- Your board
- Your leadership and staff

Assessing family participation

You chose to create a family foundation, in part, because you have a vision for how you'd like to involve your family in your philanthropy. As your foundation gets off the ground — and, indeed, as it matures and grows — it may be important to you to assess whether that vision is actually playing out.

If, for example, you created a foundation in part to provide a place for family discussions on issues of shared importance, you might choose to assess how your family communicates about its philanthropy to determine whether you have created a culture that helps advance that goal. After all, this culture — and the rules you may set in place to codify that culture — will influence both how your family relates as well as how you conduct your philanthropy. But the critical question is how your family is working to achieve the greatest possible impact with your philanthropy.

If you are looking to build a legacy of giving that spans generations, you might also want to assess your

foundation’s work in engaging its younger generations. Do younger members of your family feel motivated to become engaged in your philanthropy? Are there mechanisms to facilitate the involvement of future generations?

As your foundation evolves — and your family changes — so, too, will the process of assessing your family’s involvement.

But by taking the time to assess your family’s involvement — and solicit your family members for their input — you will be setting a culture for growth and innovation. You will also be creating a sense of collective ownership for your foundation — one in which all interested family members feel engaged and invested in the success of their family’s charitable endeavors.

For specific examples of how families have assessed family involvement, see Splendid Legacy Online at www.splendidlegacy.org.

Board assessment

If your foundation strives to retain an intimate “kitchen table” atmosphere, it might feel unnatural to create a formal assessment process. But if you are serious about achieving your mission, it’s important to think about how you will evaluate your board’s performance — no matter how small you are.

Like other forms of assessment, it will work best if you approach it as an instructive rather than punitive process.

Your assessment of your board begins with having a set of established guidelines or expectations. (See Chapter XX on creating board position descriptions and expectations).

But your assessment will extend far beyond whether individual board members are living up to their stated duties. You will also want to assess how well your board understands and carries out your family’s mission — and have regular conversations with your board about how it interprets that mission. Your foundation is more likely to be successful if your board has a shared commitment to a common mission. In turn, your board members will feel more closely

aligned to your work — and are more likely to become ambassadors and advocates for your family and its philanthropy.

Board members also need to be aware of their fiduciary and legal responsibilities as nonprofit trustees. As a result, it will be important to find ways to periodically assess their understanding of your foundation’s financials and operations — and use that assessment to identify opportunities for ongoing education and training.

Finally, consider carefully how your board communicates — and how that communication affects board members’ relationships with each other, but also with your family and your professional staff.

It’s likely that as you assess these different elements of board participation, you’ll uncover ways to help your board members become more effective and help them feel more fulfilled in their roles.

Some Ways to Think About Board Effectiveness

Board Organization. Does the board operate as a unit? Does the board meet according to its policies, and engage in orderly meetings? Are officer responsibilities clear and do officers fulfill them? Do committees operate effectively and contribute to board success?

Community Representation. How does the board involve the community it serves? Does the board have strategies for seeking input from diverse interests?

Policy Direction. Do board members understand foundation's mission, policies and programs? What issues have most occupied the board's time and attention during the past year? Were these closely tied to the mission and goals of the institution?

Board — Executive Director Relations. Do the board and executive director/administrator have a respectful partnership and open communication? Are their roles clearly defined?

Foundation Operations. Does the board have clear policies related to fiscal affairs, asset management, and human resources? Does it have clear standards and processes for grantmaking? Does the board have and adhere to clear protocols for communicating with staff?

Board Behavior. Does the board behavior set a positive tone for the institution? Do board members work well together as a team? Are different perspectives encouraged and incorporated into decisionmaking? Does the board have and adhere to a code of ethics?

Advocacy. Do board members help portray the foundation in its best light? Do they attend foundation events? Do they help promote the image of the foundation in the community?

Board Education. Are new board members well oriented? Are all board members encouraged and supported in engaging in ongoing learning?

SOURCE: Adapted from the Association of Governing Boards of Colleges and Universities

CEO and Staff Assessment

As you assess your family and board's work with your foundation, you will also want to review your CEO (or other top paid staff person) and encourage your top management to review members of their staff.

The assessment of your CEO will often be conducted by your board, which needs to know how effectively the CEO is leading the process to achieve them. Ideally, the review is focused on progress toward goals, not on behavior. (See *Managing Your Family Foundation* for advice on creating a review process for your CEO.)

Why Should You Conduct Performance Reviews?

Boards owe it to their CEOs to perform some type of regular performance review. Here are some of the key reasons:

- **Responsibility:** One of the key responsibilities of nonprofit boards is hiring chief executives and assessing their performance.
- **Clarity:** it provides regular opportunities for both the board and CEO to get clear about expectations.
- **Focus:** Reviews ensure that the CEO is focused on the board's priorities and the foundation's goals. That also requires the board setting some goals for the foundation, which is another good practice.
- **Feedback:** Most CEOs want and need feedback. The process also gives CEOs an opportunity to raise questions, request help, and give the board feedback in return.
- **Guidance:** Reviews serve as an early warning system. CEOs would rather hear early if something isn't working well, so they can adjust before things go off the track.
- **Unity:** Reviews force the board to speak with one voice to the CEO. When there is an objective process focused on achievement of goals, individual board members will be less likely to provide conflicting feedback and pull the CEO in different directions regarding priorities.
- **Development:** The review offers an opportunity for a CEO and board to agree on a professional development plan, something every employee can benefit from, so they can stay fresh and grow in their position.
- **Learning:** Reviews help the board to learn more about what the CEO's job entails. Board members know firsthand how well the CEO works with the board, but have less knowledge of the management and grant-making responsibilities on their CEO's shoulders.
- **Legal:** In the event the board has to terminate the CEO, written performance reviews help the foundation prevent or defend against a wrongful termination lawsuit.

— Susan Crites Price

External

Your family will also want to assess the outcomes of its grantmaking and thought leadership.

As we've already noted, there is no simple formula for assessing impact. Much of how you choose to assess your external work will be based on your family's goals and mission. A small family fund that is working on education in a specific geographic area is going to take a very different approach to assessment than a large-scale foundation that is looking to eradicate disease in Africa.

But by asking some basic questions, you can begin to develop a system that makes sense for your foundation.

These questions include:

How do we define success?

Success is defined differently for different foundations. And, in some cases, it can be difficult to quantify that success.

Many grantmakers work with their grantees to assess their impact by creating benchmarks or goals that help to quantify their performance.

Suppose your family is working to reduce hunger among impoverished children in your community. You

and a grantee, a local preschool for underprivileged children, decide to set a goal to provide balanced breakfasts and lunches to 100 needy children each day. You agree that at the end of the first six months you will sit down together and look at the number of children served, the cost of the program to date, and the grantee's experiences thus far. You might discover that while the program is providing 100 breakfasts a day, the program is running consistently over-budget on lunches because demand increases in the afternoon.

Although your grantee feels that the program has been successful, there are concerns about the feasibility of the program succeeding in the long term. Based on this experience, you and the grantee discuss strategies for adapting the program and funding to fit the actual needs of the community and refocus your goals according to those realities and agree on a new set of goals for the next reporting period. You may also choose to better understand the ultimate impact — how well-nourished children thrive and perform better than they did without the meals program.

By assessing the program around a shared definition of success, you and the grantee are able to identify what's working and what needs to be adjusted.

How can I increase my grantees' chances for success?

Foundations often hold an outsized role in their relationships with individual grantees. Because foundations are the ones that are choosing where to invest, there is a natural power dynamic that sometimes makes it difficult for us to place ourselves in the shoes of our grantees. Likewise, many grantees are leery to discuss their barriers to success lest they seem unworthy of a foundation's philanthropy.

As you build your own foundation, you will likely confront this dynamic. Ideally, you will work to overcome it by encouraging open conversations and building trust with grantees.

Cultivating a mutually respectful and honest avenue of communication can help ensure that your grants are both effective for the nonprofit and meaningful and fulfilling to your family.

Are we achieving our mission?

Effective assessment begins with knowing which outcomes you hope to achieve with your work. And these outcomes are also closely tied with our missions.

In addition to attempting to measure the impact of individual grants and programs, many foundations are looking to assess progress toward their missions.

This can be a complicated process — one that involves assessing not only your financial impact, but also the impact of our work in changing minds and attitudes, fostering collaboration, leveraging our relationships, and developing new approaches.

But by asking difficult questions and attempting to assess our work from myriad angles, we can gain insights that will inform our work — and give us energy to try new approaches and take bigger risks.

For additional articles and examples of family foundation assessment policies and practices, see Splendid Legacy Online at www.splendidlegacy.org.

David Grant, the former president and CEO of the Geraldine R. Dodge Foundation and author of *The Social Profit Handbook*, believes a strong assessment system is an essential element of a strong foundation.

In his book, Grant writes that assessment should:

Come before the work, not after it

Grant likens foundations to athletic coaches and teachers of performing arts.

Rather than grading grantees for their performance once work is finalized, foundations should be working with grantees throughout the process to help provide them with feedback and help.

“Their efforts were focused on upcoming performances with clear criteria for success, and they gave timely feedback to help us succeed,” Grant writes of coaches and performing arts teachers. “We can take our lead from them if we consider ourselves performers in pursuit of impact in our communities. It remains for us to be clear about what success will look like so we can get and give the feedback we need along the way.”

Be qualitative as well as quantitative

While metrics are important, it’s also important to note that the work of grantees is also an art.

As a result, assessment should account for both what can be measured objectively and what can be observed subjectively.

“For me, the best tool is the qualitative assessment rubric, a simple matrix with criteria for success on one axis (picture them running down the left-hand column) and levels of success on the other (picture them running along the top row),” Grant writes. “We now have a format for describing together what we are aiming for, in the areas that matter most to us.”

Be designed locally

“Many foundations try to create an assessment tool to measure and compare social benefits across a portfolio of grants,” Grant writes. “I think this well-intended effort does not help us very much in the end.

“It reduces us to common measures such as ‘numbers served,’ without asking how those people were served, and what difference it made in their lives. Qualitative assessment, as noted above, is about excellence, and excellence is best described by the people closest to the work and to its context.

“A locally-designed rubric can literally hold, as in contain, an ongoing conversation about good work between nonprofit staffs and their boards, between nonprofits and the people they exist to serve, and between nonprofits and their funders.”

Part II: Renewal

“Foundations change, like it or not. The issue is whether they will change by chance or for specific reasons. The latter comes about only with conscious effort.”

Frederick deWolfe Bolman

By now, you have come to realize that governing and managing a family foundation is as much art, values, and even feelings as it is science. It doesn't even have to be particularly difficult science. Jaylee Mead, co-founder of the Gilbert and Jaylee Mead Foundation and former Research Astronomer at the NASA/Goddard Space Flight Center, once remarked that creating that foundation wasn't "rocket science."

But that doesn't mean it's easy. In fact, it is highly unlikely that you and your family will ever find the permanent, perfect strategy for achieving your philanthropic goals. Even your goals may change over time, as do the families that create and oversee them. This is as true for those family foundations set up with intentionally limited lifespans as it is for those are created to exist in perpetuity.

Given the likelihood of an unpredictable evolution, unique to each family

foundation, what might be the surest approach to resolving the consequent challenges to effective, satisfying, and harmonic grant-making?

A management school professor made a point years ago that offers a profound, yet simple, clarity and insight. "It is easier for a C+ organization to become a B+ organization than it is for a B+ organization to stay that way."

Improvement is usually an easier endeavor than ensuring ongoing vitality. How does the boldness you summoned up for taking risks and solving problems support you once you've experienced success? How do you resist going into "protect mode" — trying too hard to hold onto what you have accomplished? How do families who have achieved excellence in giving maintain the quality of that giving over time? How do they continue to meet the high standards you've set for management,

finance, communications, and community relationships?

How does the "B+" or even the "A+" organization stay that way, vigorously committed to the revitalizing promise of renewal? And what can members of newer family foundations learn from those who have successfully been meeting these challenges?

The benefits of reflection and renewal

Renewal offers the chance to anticipate change. And anticipation often allows you to operate from a position of strength. What you are trying to maintain — what still works for you and other family members — is a critical question. It ranks right up there with determining what might be on the horizon that might adversely affect your foundation's existing strengths.

Foundations whose trustees and/or staff fear that any revitalization exercise might result in losing something precious are well-advised to wrestle with these questions:

- What about our foundation is most important and to whom — board members, staff, perhaps even key members of our 'public' (grantees, the press, other philanthropic families, etc.)?

- What are our responsibilities and roles in directing change?
- What do we want our foundation to be or continue to be in the future?
- Are our family foundation values sustaining us as we move forward?

Struggling with these questions allows you and your family to think objectively about how circumstances might affect the wellbeing of the foundation and those it serves. If family boards wait to respond to change, they can be overwhelmed by feelings for the people directly involved. They might be tempted to see any change in policy less in terms of how the board/foundation could benefit and more as a reaction to the emotions generated by the moment.

For example, the engagement of an especially-loved daughter might result in an impulsive change in a long-standing policy against spouses serving on the board. The consequences for future family members might not be factored into that loving but spontaneous gesture. Are you prepared to do for all what you have done for one? The earlier you consider possible changes in circumstances, the more likely you are to make your decision based on principles, not personalities.

Finally, planned renewal is critical to sustained grantmaking success. It

allows you to *consider new practices that hold promise for advancing your mission in ways you might not have imagined*. It opens opportunities to engage new voices in your work as stewards of the foundation. Such opportunities expand the base of knowledge and ideas that either confirm the wisdom of the philanthropic path you are on, or to identify areas for improvement and suggest ways you can improve or re-shape your giving areas or strategies.

Opportunities to re-imagine

Staying fresh and vital for a new day doesn't have to be expensive or complicated. While strategic planning that seeks to put everything on the table can be time-consuming and even pricey, it holds promise for yielding long-term benefits. The work of planning builds ownership of philanthropic work among family, board, and staff members — and even the community your foundation serves.

Timing the re-imagining, renewing, and revitalizing processes can be critical. This process may be particularly effective when you know you are facing the retirement of a key board leader, when you know you will want to open board slots to a new generation, or when a change in executive staff leadership is on the horizon.

Start with assessment

Once the family has committed to renewal, the process should begin with the assessment of philanthropic opportunities addressed earlier in this chapter. Your first step is to gather information necessary to determine how you are doing. What does the environment for grantmaking look like now and in the foreseeable future? Is the foundation having the results/impact it hoped for? Could a grantee perception study or board self-assessment be helpful? Foundations that take the time to regularly assess themselves — their grants, their programs, the performance of staff, and the work of their boards — gain critical information for charting the foundation's future.

Goals and expectations

As mentioned in the chapter on Mission (see page 26), knowing where you're going is the best way to ensure you arrive at the right destination. So, create family-agreed philanthropic goals. Write them down and hold yourself to them. As a result, your family will be better positioned to track the foundation's progress and adjust as needed for maintaining or improving foundation impact, not to mention celebrating them.

Whether your family is just getting started or well along the road to impactful grantmaking, begin a

conversation about the goals — all of them — you have for the next year.

Most family foundations have investment goals. But, what about your expectations for each other? A successful board renewal practice is setting and periodically evaluating how the board as a whole and as individuals are performing. Here, as in other realms of assessment, clearly agreed and stated performance expectations are critical. They ensure you are all operating from the same playbook and have a shared sense of vision and accomplishment.

Becoming a Learning Organization

Most of us feel lucky just to get the work done, particularly if the foundation relies on volunteer management and board service. As the previous section hints, time invested in reflection and planning that engages all staff and board members actually helps family foundations be more efficient in directing the energies of both groups. An important corollary for boards is to schedule time (perhaps 10–15 minutes) at each meeting to discuss how the meeting went, what members are most proud of as trustees, whether and how the board might improve its oversight work (while respecting appropriate staff roles). You might only have time for a January conversation about what

you would like to accomplish in the year and a December discussion on how you did. But these conversations are indeed valuable — and you will likely learn that giving them more priority and developing ever more thoughtful annual reviews and assessment will help your foundation, staff, and board become more effective.

That review can be accomplished by scheduling an annual board retreat. Many families have found that retreats are energizing and powerful experiences. Focus discussion around one or more key aspects of your governance responsibilities and/or the foundation's functioning. And also allow plenty of time for conversation among board members. Small group discussions followed by discussion among all trustees builds trust and unity and strengthens the organization.

Program vitality

Family foundation board and staff members consistently report that it is the work of grantmaking and, specifically, the interaction with grantees, that keeps them engaged and energized. One way to heighten as well as sustain the experience is to schedule periodic site visits, perhaps including one or more next generation family members along for the experience. Seeing the work of grantmaking on the ground is truly inspiring for both

veteran and younger members of the foundation's family.

Family foundations report tremendous benefits in regularly scheduling guest speakers for foundation and family events. Similarly, there is great value in establishing a community advisory panel(s) to provide periodic updates on critical program and community issues. The panel might include one or more current (or even past) grantees you admire, women and men who bring their passion as well as their perspective and on-the-ground experience in service to the work you do to increase the impact of your grantmaking.

Celebrate a milestone

An increasing number of family foundations have marked important anniversaries as a way to celebrate what has been and what will be. Family foundations may mark their 10th or 100th year of service, the founder's birthday, or the anniversary and accomplishments of a major grants program. Each is a special opportunity to take stock, reflect, take action, and appreciate the rare privilege of being involved in a family endeavor on behalf of the public good. There are many examples of how family foundations marked their special occasions so check out one or two in your area or state — and be inspired!

Charting Past and Future Paths: The Needmor Fund

The Needmor Fund is a family foundation established in 1956 in Toledo, Ohio, by Duane and Virginia Secor Stranahan. In 1996, the fund celebrated 40 years of giving as a family philanthropy by hosting a weekend retreat for members of the family, current and former staff, and partners in the field who “had a wide ranging perspective to bring to us, and the courage to tell us the truth about foundations and Needmor,” explains family member and former board member Molly Stranahan. “We wanted to remember the paths we had traveled, the ways we have changed over the years, and get advice from trusted fellow-journeymen about how we might adapt into the future. We also wanted to introduce the fourth generation (aged ten and under) to Needmor, and to reflect on what we had learned, and what that meant for the future.”

Stranahan describes the retreat as a mix of meaningful group activities, presentations from the invited grantees and partners, and family reunion. “There was an inclusive process to incorporate ideas from various family members—one had been creating quilting projects in schools, and she volunteered to bring materials so we could create squares to be put into a commemorative quilt. We also had time for our guests to speak to us from their perspectives, time for storytelling, dancing together, and playtime for the kids.”

To help the extended family better understand the history of the Needmor Fund, Stranahan used old board minutes to create a timeline describing “who was in roles of responsibility, total endowment size, grantmaking budget, key shifts in focus and processes, and the dates and locations of past meetings—these things tend to stick in our brains, so that made it easier to get perspective on how we had evolved.”

Ten years after the 1996 retreat, Dave Beckwith, the foundation’s executive director proposed the idea of creating a special 50th anniversary booklet titled “50 Years, 50 Stories” to celebrate a sampling of achievements of the many and diverse grantees supported by the foundation. “By the time of the 50th, we had expanded our mission to include encouraging other foundations and individuals to support community organizing and values-aligned investing, and our plans centered on using the anniversary of our founding to share stories of our experiences to inspire others.”

Individual renewal

“Organizations you have a passion for can eat you alive.”

— Family foundation CEO, “Crafting Consensus out of Complexity”

Burnout is a well-documented concern for grantseeking organizations. It’s also a common condition among those who are involved with family foundations, where board members often serve for decades and professional staff are often asked to fill multiple roles.

Too often, family foundation boards — especially first and second generation boards — do not provide for time-limited terms, specified rotations, or other defined breaks in board routines. While such breaks may not be feasible in the first one or two generations of your foundation, you might consider other ways to promote individual vitality. Perhaps you could explore the value of a board ‘sabbatical’ that allows long-serving members some period of time away from oversight

responsibilities in order to refresh and renew. For the sake of future generations, consider the benefits (on many levels) of a break between terms. Encourage involvement in nonprofits of personal interest to each board member that do not receive grant funding from your foundation. This is not only a way to keep the board fresh, but may be a strategy for getting family members who do not serve on the board involved in the nonprofit sector — an experience that can shape the way they approach community service.

In a survey of foundation chief executive officers, one-third of interviewees reported taking very little time for themselves. No vacations, no sabbaticals, no personal hobbies or interests. Sadly, nothing.

Another third participated in outside activities solely related to their work responsibilities. Only 30% made time for time away, exercise, and quiet time. The consequences of a lack of attention for personal wellbeing and refreshment can be devastating for both the foundation and the staff executive. Have a vacation policy for staff that is part of performance expectations.

With all due respect to Coke, a refreshing soda is but one way to achieve vitality. Individual and institutional renewal is critical to organizations that want to remain consequential, dynamic, and effective. Small scale or large, informal or sophisticated, over the course of one meeting or one year — the active effort to ward off stasis and complacency is an investment in philanthropic excellence. ■