



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY

# SPLENDID LEGACY

CREATING AND RE-CREATING  
YOUR FAMILY FOUNDATION



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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](http://www.ncfp.org)

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# MANAGING YOUR FAMILY FOUNDATION

## Operating in ways that match your mission

BY ELAINE GAST FAWCETT

A family foundation provides an unparalleled opportunity to share your values, skills, and creativity—all while making positive change to causes close to your heart.

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Private foundations require the same day-to-day attention as any small business. That means attending to tasks such as bookkeeping, answering calls, cutting checks, and filing government forms. It also means managing accounts and investments, tracking expenses, meeting mandatory payout requirements, and working with advisors. Finally, it requires working with the board and, if you choose to do so, hiring and overseeing staff.

Luckily, there are many options for running a family foundation, whether that means outsourcing management, hiring a family or non-family staff member, or doing some or even all of it yourself. It all comes

down to what you value, and how much time, interest, and effort you, your board, and your family want to put in.

**Remember:** Every management decision you make reflects your mission and values.

If you are just forming a foundation, first consider if and why you want family members involved — and how active you want them to be. This may drive many of your management decisions. For example, if your foundation's values are to strengthen family ties, you will likely house and staff the foundation in a way that brings the family together.



Regardless of whether you are a brand new foundation or have been at it for a while, also consider the impact your management choices will have on your grant partners and community. Family foundations exist to serve the community, and the way you structure your operations can reflect that.

The ideal is to find a management approach that serves your mission, works for the board, works for your grant partners, and gives your family joy, year after year.

This chapter will help you better understand the different aspects of managing a foundation, and explore your options to get the job done. Of course, you want to run the foundation efficiently to make sure the bulk of your resources go toward fulfilling the mission. Yet, keep in mind: the dollars you spend on management are your investment in an effective foundation.

## Where Can You Learn About Your Community?

If you are looking to learn about your community, good news! There are plenty of resources available to you. Here are a few to get started:

- Your local **regional association of grantmakers**.  
Find yours at [givingforum.org](http://givingforum.org).
- Your local **community foundation**.  
Find yours at [cof.org/community-foundation-locator](http://cof.org/community-foundation-locator).
- Your local **association of nonprofits**.  
Find yours at [councilofnonprofits.org](http://councilofnonprofits.org).
- Connect with other philanthropists through **donor circles** and **funder collaboratives**. To find giving circles in your area, check with your local community foundation or regional association of grantmakers. To learn more about giving circles, visit [givingforum.org](http://givingforum.org) or [amplifergiving.org](http://amplifergiving.org).



## The Work — What Needs to Get Done?

Before you set up the foundation office or hire any staff or eager board volunteers, first consider: What work needs to get done? It's important to ask this question both as you start out, and day-to-day as you manage the foundation. You should also consider reviewing your needs on an annual or periodic basis.

If you're brand new to foundations, you may still be learning what's involved. Here's an overview of the different categories of responsibilities and tasks to tend to.

Keep in mind: Some foundations divvy these tasks up among volunteer board members and advisors. Others hire staff for some of the activities, and manage the others through board committees. There is no right or wrong way to do it.

### Administrative Tasks

Every office (including a home office) requires basic administrative tasks to keep it going. This may include setting up and maintaining the office; ordering office supplies and equipment; working with vendors; setting up a system to retain records; answering mail, email and phone calls; responding to inquiries; and electronic and/or hard copy filing.

### Legal and Financial Requirements

Hire a qualified accountant to prepare your annual tax return and an attorney to ensure you're meeting all your legal requirements. Accountants prepare financial statements and the annual return (Form 990-PF), and they sometimes assist with investments and bookkeeping. Lawyers usually help establish the foundation; review annual returns; and offer ongoing advice on grantmaking, board issues, and other topics.

Even with these professionals offering support, it's important for you to know the basic legal rules that regulate the forming and activities of private foundations. (See the chapter on legal issues for more on legal and financial rules.)

### Managing the Board

Managing a board (any board) takes diligence and finesse. It involves taking the lead on administrative

tasks related to board meetings and governance issues, as well as implementing the policies and strategy set by the board. Someone (or more than one person) must schedule meetings, set the agenda, and prepare/distribute board dockets and reading materials in advance. Once the meeting is over, he or she will need to distribute the minutes, follow up on action items, and communicate to the board in between meetings.

The board may also need support around governance issues, such as board recruitment and orientation; creating board job descriptions; planning and/or facilitating board retreats; compensation and expense reimbursement; assessing board and foundation performance; hiring and working with consultants; maintaining directors' and officers' liability insurance; and succession planning. (See Good Governance: The Family Imperative.)

**Managing Staff (if applicable)**  
In many foundations, it's the board's job to oversee staff. If your foundation has more than one staff member, this responsibility may fall to an executive director or CEO. Staffing needs may include recruitment; working with search firms; coordinating and conducting interviews; setting salary and benefits; managing payroll; and conducting performance reviews.

## Managing Finances

In addition to following rules governing your grantmaking, you will also have a number of basic bookkeeping and accounting needs. These might include: managing a foundation checking account, writing checks, setting and balancing a budget, managing cash flow, creating financial reports for the board, and more. A point person will also need to work with investment managers and consultants to oversee investments.

## Managing Grants

Grantmaking is your foundation's core and it requires considerable management. The board sets grant guidelines, reviews proposals and makes decisions (if only it were that simple!). The grants manager/administrator or grants committee solicits and initially screens grant proposals; identifies and conducts due diligence/compliance on potential grant partners; schedules site visits (if applicable); communicates with grant seekers; sends award letters and grant agreements; monitors grant reports and expenditures; and if your foundation chooses to do them, oversees grant evaluations. (See Effective Grantmaking, and visit *Grants Managers Network* — [gmnetwork.org](http://gmnetwork.org) — for support and resources.)

## Communicating Internally and Externally

Some foundations use communications tools to stay in touch with the board and family in between meetings. This might include a special web portal for board members, and/or an e-newsletter or blog post that goes out to extended family members. To communicate with grantseekers and the public, your foundation will need to maintain an updated presence via a website and (if you choose) social media, and provide clear written grant guidelines. It helps to designate someone to be the spokesperson for the media.

You might also consider providing other materials, such as a foundation history, a foundation fact sheet or brochure, and an annual report. (See the chapter on communications, and visit *The Communications Network* — [www.comnet.org](http://www.comnet.org) — for support and resources.)

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## Administrative Expenses: How Much Should You Spend?

You want to run your foundation as efficiently as possible—that's a given. Yet the only legal or common guideline on how much your foundation can or should spend is that expenses must be "reasonable and necessary." So how do you figure out what's reasonable and necessary?

There's no one answer that fits all foundations, and yours will depend on many factors, including:

- the purpose of your foundation;
- whether your grantmaking is local, regional, national or international;
- activities other than grantmaking;
- the size and number of grants and grant partners;
- the number of staff and consultants.

Many foundations start off wanting to keep their expenses lean in order to save their funds for grantmaking. This is understandable. However, you may find in order to build infrastructure and effective grantmaking programs, you need to pay for it.

"Many people I've met with who are family members starting new foundations say they want to be lean," says Doug Bitonti Stewart, executive director of the Max M. & Marjorie S. Fisher Foundation. "During the conversation, they talk about how much they want to be involved, about developing a point of view and presence in a particular field of work—and it begins to dawn on them that doing it the way they want might cost more than keeping expenses to an absolute minimum will allow."

It takes time and money to find the right office space, hire and retain staff, join local and national associations, convene community meetings, research your funding areas, visit grant partners, and become leaders in local causes. Think not in terms of how much should you spend, but in terms of what you want to accomplish—either with your grant partners, or within the philanthropic field.

Not sure where to start? Visit with other family foundations of a similar asset size to get a sense of their style, expense structure, and operations.

## Administrative Expenses: How Much Should You Set Aside?

### Administrative expenses

typically include salaries and benefits, legal and professional fees, office space and overhead, travel, printing, dues and memberships, publications, professional development fees, and programmatic expenses.

## Be Sure to Back Up

Retaining records? You need to include a regular backup system in case of fire or other disaster. For paper files, this may mean storing additional copies of your permanent records off site or electronically. For electronic documents, make sure you regularly create backups.

## Which Records Do You Need to Keep?

Whether your foundation has its own office or uses a home office, you will need a system for files and recordkeeping. Many foundations delegate their recordkeeping duties to accountants, custodians, or consultants. Even so, it's important—and legally required—to make sure your records stay in good order. Here's a quick guide for what to keep, and how long.

### Keep these records forever:

- Original organization documents (articles of incorporation, trust instrument, bylaws, etc., plus any amendments to these documents);
- Form 1023, the application for federal tax-exempt status;
- Form SS-4, the application for taxpayer identification number;
- Internal Revenue Service favorable determination letter, which is the IRS ruling that 501(c)(3) status is granted;
- All Forms 990-PF, the foundation's annual tax return; keep tax worksheets for up to 10 years;
- Any official correspondence with the IRS;
- Foundation's annual reports;
- Any other tax exemption certificates—for example, from state or local authorities;
- Correspondence with attorneys, accountants, and/or custodians of the foundation's assets;
- Board records, such as meeting minutes and committee actions.

### Keep these records for 5-7 years (check your state law for exact requirements):

- Grant files—keep for a minimum of six years in case of an audit (only three years for declined grant requests);
- Record of contributions—keep until tax reporting is complete and the audit period has ended;
- Personnel records—check with your attorney or accountant to determine the required length of time to retain these records;
- Financial records—keep investment reports until assets are sold and for the duration of the audit period; keep foundation transaction records for the tax reporting and audit period that follows;
- Contracts—in general, keep for three years after the contract expires.

# The People — Who Will Do the Work?

There's work to be done in running a foundation. Who is going to do it? Foundation "staff" might be the founding donor, a volunteer family member or members, a professional executive, a self-selected team of trusted advisors, an outside management firm, or any/all of the above. There's no "one way" to do it, and in fact, many foundations experiment with different management models as they evolve.

In addition to all the tasks of running an office, family foundations have one more job that most other organizations do not—determining how best to involve and work with other members of the family. For a foundation just starting out, or those re-evaluating what will work best for them, the questions that most often drive management decisions include:

- How much or how little do family/board members want to be involved in the day-to-day responsibilities? What is their time availability?
- What skills, expertise and/or experience can family/board members contribute?
- Where do board members live, and how well do they know the area/region/community that the foundation supports?
- How comfortable is the board in letting others take the lead?
- How visible does the foundation want to be?
- How much will it cost?

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Once you answer these questions, you should consider which structure you want to follow. Below are some of the common models used for staffing family foundations. Many families use variations on these models or a combination of them. Each of these can be effective, depending on what is important to your board and family. They include:

## Do-It-Yourself: Volunteer Board Managed

Many families choose to operate their foundations, especially early on, with volunteer staff from the board or family. Sometimes one person will take on the day-to-day work by default, or the board will divvy up the responsibilities based on interest and areas of expertise. This includes all the related administrative, financial, governance and grants management responsibilities. For example, one board member might keep records and file the annual 990-PF tax form, while another manages the money, and yet another answers inquiries and vets grant proposals. Because everyone has a task, the board functions as a team.

The board-managed approach can be a great way to involve board members and give them ownership in the foundation's work. It's also the most cost-effective, considering there may be no salaries or fees (although some foundations compensate and reimburse board members for providing professional services to the foundation—see Good Governance for more about board compensation policies).

However, managing a foundation with volunteer board members can be time-consuming and, in some cases, feel like a burden. Board members may have varying levels of experience, which can make for uneven results. It can also create tension if members don't follow through or complete tasks on time.

Rather than staff by default, it's far better to think about it systematically. Start by discussing what qualities, skills and experience the foundation needs, and then see who, if anyone, on the board fits each role. If you go with the board-managed route, be sure that the board defines roles, expectations, and accountability measures up front.

### Strengths of this model include:

- Board members take ownership and are fully invested in the foundation
- Board functions as a team
- Most cost-effective

### Possible problems:

- Can cause tension if someone isn't doing the job in a timely or professional way
- Board members may burn out
- Foundation may miss out on access to outside expertise
- Community may view the foundation as haphazard or unreliable

### COLLEAGUE STORY:

The Durfee Foundation surveys its board members once a year to assess the various ways they do (or do not) want to be involved in the foundation.

"We ask trustees to tell us how they want to participate, be it attending site visits, serving on a selection panel, meeting with investment advisors, etc. We've found it a useful tool," says Durfee Foundation President Carrie Avery.

If you survey your board members, ask them what skills they can offer and the areas in which they might like to learn. This can help the board overall determine who has the time, interest and expertise to take on specific staffing roles and tasks.

## Calling All Consultants: Board Selects a Team of Advisors

A useful model for some families is to hire a team of trusted advisors to handle various responsibilities, particularly if these advisors already handle your other business (e.g., an attorney, a financial advisor, an accountant, a bookkeeper, support staff from a corporate or family office, etc.). However, it takes time and effort to coordinate outside efforts, and the advisors may or may not have foundation-specific expertise. You may still need one or more individuals who oversee all operations.

In this case, the foundation might also hire an individual foundation consultant to provide day-to-day management support. Consultants are generally paid an hourly, daily, or per-project rate. Others charge a percentage based on a foundation's total grant portfolio. In some cases, the consultant acts as executive director, assisting the board in developing grant focus areas and requests for proposals.

### Strengths of this model include:

- Eliminates costs of ongoing staff and office space
- Provides access to specific expertise
- Keeps staffing costs low, since consultants usually work part-time or per-project

### Possible problems:

- Foundation may be less visible without a specific office and staff member
- You aren't the consultant's only gig; therefore, response time to the board or grant partners may be delayed
- Someone from the board will need to manage hiring, contracting, and overseeing the consultant's work, which can take time

## Where to Find Consultants

Looking for a consultant or advisor who works with foundations? Check out these resources:

- **National Network Consultants to Grantmakers**—nncg.org—maintains a directory of fully vetted consultants, searchable by specialization and regions served
- **NCFP**—www.ncfp.org—provides support and makes appropriate referrals within its network for people who are interested in selecting an advisor or consultant
- **Directory of Professional Advisors**—exponentphilanthropy.org—offers a national listing of vetted professionals who serve foundations and philanthropists

## Outsource It: Hire a Full-Service Support Firm

If you are interested in outsourcing part or all of the foundation's day-to-day business, you have plenty of options—each with varying degrees of control, visibility, and cost.

Some community foundations offer a fee-for-service program for private and family foundations—providing back-office support and/or grant-making assistance. Community foundations can offer important insight on current community needs, local organizations and how to give effectively. At a community foundation, you also have the option to establish or contribute to a donor-advised fund. Some religious organizations, such as Jewish Federations, will also offer foundation management services for a fee.

Many large banks provide foundation administration and investment management services, as long as the foundation's assets are kept at that institution. The same can be said for large financial services companies or regional law and accounting firms.

A full-service foundation management firm provides services specifically for private foundations, and works with a number of clients at any given time. Typically, full-service firms charge a fee based on a percentage of overall assets. Although this

may be more expensive than other options, you can find everything you need to manage your foundation in one place: administration, compliance monitoring, tax preparation/filing, and philanthropic advising. Depending on a family foundation's needs, these professional managers may be visible and proactive on behalf of their clients, or they might provide only minimal administrative oversight.

### Strengths of this model include:

- Costs of ongoing staff and office space isn't necessary
- Access to expertise, technology, networking with other funders

### Possible problems:

- Foundation may be less visible without a specific office and staff member
- Administrative fees can be high

### COLLEAGUE STORY:

The Educational Foundation of America board knew it needed back-office support, so it formed a committee to research, solicit proposals, and interview foundation management firms.

"We found a great partner that provides online database management, board docket preparation, check-writing services, expense monitoring, human resources support and more," says President Bobbi Hapgood, a board and family member.

"This has allowed us to separate from these roles—so that staff can focus more on program, and the board can focus more on due diligence. It's one more check and balance, and for all the resources we get, I find it less expensive than having staff."

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## Staff Up: Board Hires Paid Family or Nonfamily Staff

At some point in the life cycle of many foundations, the board will hire a paid staff member (or members) to oversee the daily needs of the foundation. Many foundations start off with a family member or “family insider” (a trusted family friend) staffing it in the early days, and then evolve to non-family staff structure later on. If this is how your foundation operates, you’re in good company. Even some of the largest foundations in the country started this way (think of the Gates Foundation, for example, which was run for years by William Gates Sr. See the conversation with Mr. Gates on Page 62.).

Your foundation might hire its first staff member, be it family or nonfamily, to function as an administrator, an executive director or CEO, a foundation manager or grants manager or program officer. The titles vary, as do the roles and responsibilities.

Some of the most common roles and titles include:

**An administrator** focuses mainly on administrative issues. This person might handle correspondence and inquiries, log grant requests, review and initially vet proposals for eligibility, arrange meetings, go on site visits and prepare materials for the board. Some organizations use different titles, such as foundation manager or grants manager, for this role. The position might be full-time or part-time, and perhaps shared with another family entity (a family business or family office).

**A program officer** provides specific expertise about one or more of the foundation’s funding areas, and manages the grantmaking for that program.

**An executive director** oversees other staff (if applicable), manages the office, works with the chair to develop the board agenda and strategy, facilitates board meetings, and implements the board’s directives. This position might be full-time or part-time, voting or non-voting.

In lieu of an executive director, some foundations hire a **CEO**, who acts as a leader to both board and staff and, in some cases, helps build the board. The CEO sets goals and shapes programs for the foundation, recommending projects and policies to the board. This position is typically full time, and may be voting or non-voting.

## **How do you know what you need?**

If you're not sure what position to hire for, think about what the foundation needs and what the family needs. "Some foundations need a CEO right out of the box—a person who leads and builds the board, bringing specific talents, skills and impact area expertise they need to achieve their mission," says Doug Bitonti Stewart, executive director of the Max M. & Marjorie S. Fisher Foundation. "Others need an executive director who leads with a servant-leader orientation—facilitating the board's wishes, managing the family dynamics, creating consensus out of chaos, as they saying goes."

Katherine Lorenz, president of the Cynthia and George Mitchell Foundation, offers this advice: "A lot of families say they want one thing, but they actually need something else. Do you really want an outside expert leading the foundation, knowing that they might come in with their own ideas on what's best? Or does the family just want advice and then you do it yourselves? The more a board asks themselves these questions upfront, the more likely they will find staff they actually need."

## **Strengths of this model include:**

- Board members are freed from routine administrative tasks
- Trustees can maintain hands-on direction of the foundation, or look to the professional staff person to lead
- A professional staff person has time to follow opportunities and network in the community
- A nonfamily staff person may act as a calming influence in the face of family dynamics

## **Possible problems:**

- Staff need a clear supervisor and will have to adjust to different board chairs
- Paid staffing is the most costly model
- It may be challenging at first for a family to build trust with nonfamily staff

*Do you want an outside expert leading foundation, or do you just want some advice and then you do it yourselves?*



#### *In Their Words*

## Serving as Family Staff

My sister and I served on our family foundation board and acted as joint co-directors for years. At first, we did it as volunteers, and soon realized how much time we were putting into it. My father suggested we take a token salary, and we said no: either give us a real salary, or we'll remain as volunteers. We then began to draw a small professional salary and medical benefits.

It was never a money-making career for us. We did it because we believe in the work of the foundation, and we wanted to do that work. However, being a family staff member was one of the hardest things I've ever done. We're all equal participants, and yet we approach things differently. We're motivated by not hurting each other's feelings, and inevitably, there is conflict.

Looking back now, had we hired nonfamily staff early on, the foundation itself might have been stronger. We would be further down the road as far as implementing best practices. However, the family would have lost something. We wouldn't be so invested in it. Serving as family staff is a hard opportunity, but a valuable one.

— Nancy Brain, president Frances Hollis  
Brain Foundation

## Serving as Non-Family Staff

When I started as a nonfamily program officer at a family foundation, the executive director there told me "This is more about family than you probably realize." I heard what he said but didn't truly understand it.

One of the big lessons I've had to learn as a nonfamily staff person is patience and deep listening. When implementing something new, it has to feel right for the family. I may think it can get it done in three months, but it may take three years if it's not the right timing for the family. I've had to recalibrate my timeline and slow down in a way that works for them. It's important to also have patience with family dynamics—letting it be theirs, not mine. Now that I understand this better, it's not frustrating and one of my favorite unique elements to family foundations.

— Annie Hernandez, executive director of the Frieda C. Fox Family Foundation

## Sharing Staff

Many small family foundations share staff as a way to maximize efficiency and save costs. If this is something that interests your board, there are many ways you could approach this.

The most obvious choice would be to share staff with the family business or family office, if that is available. Many foundations start off this way—sharing a bookkeeper or executive assistant, for example—and then may decide to hire their own distinct staff as the foundation evolves.

Another is to outsource grantmaking and/or back-office duties to a community foundation, nonprofit, or for-profit foundation management firm. These organizations can provide services such as identifying and screening grant partners, working with families to clarify their goals and interests, and managing the day-to-day administrative details.

Philanthropic collaborative groups (e.g., organizations such as Tides or the National Philanthropic Trust) can offer families prompt, affordable access to expertise and a network of like-minded givers. Families that opt for this type of shared arrangement also have the benefit of access to high-level consulting staff and expert administrative staff on an as-needed basis. To find out more about philanthropic collaborative groups, contact NCFP.

If there is no philanthropic collaborative group in your area, look for funders or nonprofits nearby who may be interested in sharing staff and/or space. Or contact an affinity group to find other funders who share a similar funding focus.

## Family Staff: Words to the Wise

When a family member has the skills, interest, and time available to staff the foundation (either as a volunteer or paid staff), it can be a meaningful experience for that individual as well as the board. Often, a family member is the best choice to represent the foundation in the community, since he or she will know its history, culture, and purpose better than anyone.

Plus, that person will most likely already have close relationships with those on the board, in theory shortening the learning curve.

However, staffing a foundation with your family members is not for the faint of heart. Some of the challenges can include:

- Reporting to a member of your own family
- Staying professional and setting boundaries with family members
- Hearing criticism from family members
- Keeping an unbiased, objective point of view
- Refraining from unproductive family dynamics

Those who have staffed their family foundation offer this advice:

- Stay neutral
- Err on the side over-communicating and staying overly accountable
- Request honest and regular performance reviews
- Seek consensus from the family when possible
- Hire an outside facilitator when needed for board meetings and retreats
- Have a graceful exit strategy in place for if/when you want to leave the role, or the board wants to rotate in someone new

# Staffing the Foundation: Decision Tree

To figure out which staffing model is best for your foundation, ask these questions:

- ① **What work do we need to cover currently? (make a list of projects, tasks, responsibilities)**
- ② **What's the time commitment this work entails? (daily, per month, per grant cycle)  
AND  
What skills and expertise does this work require?**
- ③ **How do we foresee our staffing choices affecting our grant partners and the community?**
- ④ **Is there someone (or more than one person) in the family who has the skills, interest and time to manage these tasks? Does this person live in or near the geographic funding area, or is he/she familiar with this region?**

► **YES.** We have the perfect fit in our family.

- Will this family member be volunteer staff or paid staff?
  - If paid, what is the appropriate salary?
    - Check self-dealing rules for paying family members.
    - See the latest Grantmaker Salary and Benefits Report from the Council on Foundations or Exponent Philanthropy to compare staff salaries.
  - What benefits will the foundation pay?
  - Will this family staff member be a voting member of the board?
  - What will this person's title be?
  - What will the job description include? What will it not include?
  - Who will this family member report to? How will the board measure staff performance?
  - What is the expectation around duration of volunteer role/employment, and in what ways can the family member exit gracefully from the role if needed?
  - What can the board and family put into place up front to ensure good communication and manage any conflicts/unproductive family dynamics that arise?

► **NO,** there is no one in our family who has the skills, time and interest.  
**Continue to next question.**

⑥ **If looking for non-family paid staff, what position will the foundation hire for?**

- A lead staff member who provides direction, recommends programs and policies, helps build the board and supervises other employees.

**Consider hiring a CEO.**

- A lead staff member who is perhaps more family focused, and who facilitates the board in leading themselves as a group, and supervises any other employees (if applicable).

**Consider hiring an executive director.**

- Staff member who handles administrative or grantmaking tasks only—acting as more of a coordinator, versus a leader.

**Consider hiring an administrator or foundation manager.**

- Staff member who specializes in one or more of the foundation's funding areas. **Consider hiring a program officer or grants manager.**

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⑦ **What will we offer a non-family staff member as an employment package?**

- What will this person's title be?
- What will the job description include? What will it not include?
- What is the appropriate salary for staff in this position?
- See the latest Grantmaker Salary and Benefits Report from the Council on Foundations or Exponent Philanthropy to compare staff salaries.
- What benefits will the foundation pay?
- Will the staff member be a voting member of the board?
- Who will this staff member report to? How will the board set staff goals and measure staff performance?
- Where will the staff member work?

⑤ **If looking outside the family, what's important to us when considering how we will staff the foundation?**

- Is it important to have someone we already know staff the foundation (a trusted family friend or advisor)? If so, how will we balance that trust with getting the skills we need?
- How visible do we want to be in our community?
- How much ownership and involvement do we want to maintain?
- What's our budget for staffing?

# Tools for Successful Staffing

Whether your board is considering hiring its first executive director, CEO, or administrator, or if you are looking to expand your staff with a new program officer, grants manager or assistant, this section gives you some ideas to start thinking about the hiring process.

- For more a comprehensive guidebook, see *Help Wanted: The Complete Guide to Hiring a Family Foundation CEO*, a project of the National Center for Family Philanthropy's CEO Initiative.

## STEP ONE:

### Create a Job Description

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Just as the board created grant guidelines describing what the foundation wants to fund, it's necessary to discuss and put into writing the desired qualities, experience, and expectations of the person you want to hire. You might do this as a board, and then form a smaller "search committee" that will head up the hiring process.

Even if only a few bullet points describing the staff role, a job description can save a lot of heartache and headaches later on. Job descriptions help the board set expectations, and ultimately give staff more ownership over their work.

Once you have drafted and approved the position description, you can then

create a job announcement that will alert potential candidates about your opening.

Thoughtful job announcements usually include:

- Position title
- Brief description of the foundation
- Position's general and specific duties
- Professional experience required (education, background, years in the field, etc.)
- Desired personal qualities
- Salary range, or list that it is "commensurate with experience"
- Application requirements (cover letter, resume or CV, references, etc.)
- Contact information
- Closing date

**NOTE:** If you are using a search firm, it can help you craft the job announcement.

## STEP TWO:

### Recruit Candidates

Once you have your job announcement, it's time to get the word out.

- Post the job description on your website, with a link to it on social media venues as available (LinkedIn, Facebook, Twitter, for example).
- Upload the announcement to philanthropy and nonprofit job boards (e.g., Council on Foundations' Career Center, Forum of Regional Associations, and NCFP as well as your local regional association, *Philanthropy News Digest*, *The Chronicle of Philanthropy*, Idealist, and applicable affinity groups).
- Advertise at university and professional programs on philanthropy.
- Spread the word among your networks, colleague foundations and grant partners.
- Use an executive search firm. (See sidebar *Should You Hire a Search Firm?*)

#### **COLLEAGUE STORY:**

The Frieda C. Fox Family Foundation recently hired a new director of youth philanthropy. Rather than use a search firm, the foundation leveraged its network to find people they thought would be good candidates. “We called on our foundation contacts, spread the word at colleague events, and announced the job posting to different partners across the country,” says Executive Director Annie Hernandez. The foundation also posted the job announcement on various philanthropy email lists.

A subcommittee of the board managed the hiring process. “After an initial narrowing of candidates, we ended up with one finalist,” Hernandez says. “She interviewed with our full board and also our junior board and youth advisory committee. Then we had her interview with some of our partners. It was an extensive process, but by the time we were done, everyone gave the thumbs up.” Because the candidate lived in a different part of the country, all interviews were held on video conferencing (Google Hangout and GoToMeeting). “None of us met her in person during the job interview; we hired her through video conferencing.”

## Should You Hire a Search Firm?

To widen their search for candidates, some foundations engage an executive search firm to help them find the right fit. You might want to use a search firm if:

- The job market is tight.
- The board doesn’t have time to handle all the tasks involved in the hiring process.
- The board wants to tap into a national pool of candidates.
- The foundation wants to keep the search—and the foundation’s name—confidential.
- The board isn’t experienced at vetting resumes and interviewing candidates.
- The board wants expert advice throughout the process.

Executive search firms usually charge a substantial fee; however the work they do in helping you get clear on what you are looking for and identifying candidates can save thousands of dollars in the long run. When speaking with various search firms, ask them:

- Who will staff the firm’s search?
- How does the firm conduct its search?
- What are the fees and expenses, and timing of payments?
- What is the policy if the new hire doesn’t work out?

To find a reputable search firm, check with your national and local grantmaker support organizations. Call the National Center for Family Philanthropy for a list of search firms that have experience working with family foundations. Ask colleagues what firms they have used and about their experiences with these firms. Visit the Association of Executive Search Consultants ([aesc.org](http://aesc.org)) for more leads and information.

## **STEP THREE:**

### **Hire the Right Person**

Foundations typically interview several candidates in the first round. This can be useful in comparing experience and personal styles, and also incredibly time consuming. Consider holding shorter initial interviews (20-30 minutes) by phone or video conferencing. This saves time and expense. Hold final interviews at the foundation office, if available, or a central location in the foundation's funding area.

Next comes the hard part: deciding who to hire. Final candidates may have different strengths and value that they offer the foundation, the community and the board. It's important for the board to think long term about a candidate's skills, style and chemistry with the board. "Our board was about to hire its first executive director, and our search firm said to us: 'You'll be living with this person. Are you still in love?'" says a family foundation trustee. "It changed the course of whom we hired."

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When the board is ready to make a job offer, include the following in writing:

- Title and role
- Start date
- Job description/responsibilities
- Salary and benefits
- Performance standards
- Length of probation period
- Nature and timing of performance reviews
- Termination policies, including policies on substance abuse, professional conduct, sexual harassment, dispute resolution and conflicts of interest.



# Staffing Issues to Consider

## Compensation

Staff compensation is usually based on an individual's prior experience and the level of responsibility he or she will carry in the foundation. In order to determine a salary that compares with market rates, it helps to research similarly sized foundations.

- See the latest *Grantmaker Salary and Benefits Report* published by the Council on Foundations or Exponent Philanthropy to compare staff and benefits packages.

Foundations often wonder what the rules are regarding paying a salary or reimbursement fees to a family staff member. This is legal as long as the work performed is necessary for the operations of the foundation, and the amount of compensation is reasonable.

- Compensating board members for their service is a separate issue than paying a staff member's salary—although the lines blur if a board member is performing staff functions and wants to be paid. To learn the legal rules and best practices, see chapter on legal issues.

## Performance Reviews

Even if it doesn't feel natural in a family foundation setting, it's important to perform some type of regular performance review of staff members. The board (or person in charge of supervising staff) should develop and communicate clear job responsibilities and performance measures, regardless of whether the staff member is a family member.

In fact, it's even more important to set written expectations and performance measures and give feedback if it's family staff. The clearer you are upfront, the more likely you can avoid potential conflicts down the road.

Performance reviews aren't judgment day, and shouldn't be seen as such. They are an opportunity for learning on both sides—giving both board and staff a time to reflect on what the foundation has accomplished, and what might be improved. They are also a time for staff to receive feedback, set goals and discuss salary increases.

There are a number of ways to conduct performance reviews, ranging from an informal lunch to a more formal written assessment. In many cases, staff members assess themselves first, and then compare their notes with those made by their supervisor and/or the board.

- For more on this, see Performance Review: The Complete Guide to *Evaluating the Family Foundation CEO*, a project of the National Center for Family Philanthropy's CEO Initiative.

## Connecting with Colleagues

The life of a sole-staff or executive of a foundation can be a lonely one. If you work out of your home or an office of one, and it can take real effort to connect with colleagues and learn. Professional development gives you new skills and knowledge, and also gives you a chance to meet and learn from others.

Once you start looking, you will find that opportunities for learning and connecting are everywhere. Here are some ideas from your colleagues on how they approach professional developing and networking. These can be helpful to staff members and board members.

Keep in mind: you don't need to do all of these at once. Pace yourself for the best results.

- **Connect with grantmaker support organizations.** such as the National Center for Family Philanthropy ([ncfp.org](http://ncfp.org)) or other membership-based national organizations. Locally, connect with your regional association of grantmakers ([givingforum.org](http://givingforum.org)) to meet or collaborate with funders in your city or town.
- **Attend conferences and workshops.** National philanthropy conferences (such as the National Forum on Family Philanthropy) provide quality sessions and networking opportunities, and regional conferences and workshops connect you with your local colleagues and community. You can also find ongoing grantmaker education through Learn Philanthropy ([learnphilanthropy.net](http://learnphilanthropy.net)) or the Johnson Center at Grand Valley State University ([johnsoncenter.org](http://johnsoncenter.org)).
- **Attend webinars and online learning.** Grantmaker support organizations and others offer topic-based conference calls, webinars, podcasts, and other opportunities to learn from the convenience of your desk.
- **Read field publications.** Make time to read online and print publications, blogs, colleague and grant partner newsletters, case studies, guides, and Twitter feeds you find useful.
- **Seek or create a learning community.** Organize or attend brown-bag lunches around a particular topic, or convene your colleagues or grant partners in other ways. Connect with peer groups through your local regional association of grantmakers.
- **Start colleague conversations.** Meeting with one or two colleagues in the same or similar field, or in a similar position, can create a space for learning, socializing, and support.
- **Ask for help when you need it.** Reach out to a colleague or a grantmaker support organization that can answer your questions. In this generous field, help and mentorship is available if you ask for it.

# The Place — Where the Work will Get Done

Once you decide what work needs to get done and who will do it, you must decide where it will happen.

Foundations have a lot of flexibility when it comes to where they do their work, and the choice may be an obvious one for you. If you're just starting out, perhaps a kitchen table or a home office is all you need. Perhaps your family already has a family office or corporate office in place, from which the foundation could rent space. Or you may decide the foundation needs its own free-standing office that is more visible in the community.

For many, the choice isn't so obvious at first. There are many things to consider, among them:

- How your office space can reflect your mission;
- Proximity of the office to staff, board members, family members;
- Proximity to your grant partners; desire for visibility versus privacy
- How many staff you need to accommodate (now and in the next three to five years);
- Whether you will hold meetings or convenings in your office

- Other features you may need (including storage areas, closets, a kitchen, security system, adequate parking, etc.);
- Options for sharing space with other funders, nonprofits, family entities or entrepreneurs; and
- Desired level of comfort and sophistication

When in doubt about what kind of office you need, a good place to start is to ask yourselves: *What message do we want our office space to send to our grant partners and community?*

For example, one foundation considered setting up its office in the suburbs of Detroit. This made good sense at first, considering the family and board members lived in the suburbs themselves. However, in thinking it through, they realized that this might send the wrong message to the foundation's grant partners, which were all located in the city of Detroit. Out of respect for its grant partners, the family decided to forego convenience and establish an office downtown—where grant partners could easily attend meetings and convenings at the foundation office.

## Virtual or Home Office

We now live in a virtual world. It has become perfectly commonplace to telecommute, or even do away with the idea of having a physical location as “the office”. A *virtual* office is one that is located away from the main or physical office environment—and in most cases, is located at a person’s home.

It’s no different for foundations.

Many foundations operate out of a family member or staff person’s home or other location.

For small foundations run by one staff or family member, a home office may be a practical choice. It is certainly the most economical, not to mention the best commute in town. Those who do have home offices say it’s great for flexibility and for being close to family. They can choose their own hours, and spend more time with their partner, their kids, or the cat.

However, home offices aren’t for everyone. At most, they will accommodate one or two staff. Depending on your home and family situation, you may not have the space—or the quiet—you need to make it work. And although overhead may be low, home offices still require some start-up and ongoing costs.

“Make sure you’re budgeting for supporting someone with a home office,” says Annie Hernandez, executive director of the Frieda C.

Fox Family Foundation. “Be ready to pay for phone, Internet and all the technology needs, shipping costs and more. It can be less expensive overall, but be prepared that there are still expenses.”

Another challenge to home offices is that it can be tough to separate work from home life. You may have grant reports to read or emails to write, and nothing says distraction like a dirty pile of laundry or a dinner that needs to be prepped. Keep in mind: You also don’t have a colleague in the next office to keep you accountable or brainstorm ideas. It requires more effort to connect with peers, or even meet a friend for coffee.

If you do decide to work from home, make sure you have adequate storage space for files and office supplies. Seriously consider keeping the foundation records at a separate fire-safe storage facility. Although not as convenient as having them in your basement or back bedroom, it’s important to safeguard your important documents.

## Know the Self-Dealing Rules

A foundation cannot generally pay rent for space in a home or family office owned by a family member or other disqualified person.

This is considered self-dealing, even if the rent is considerably below market rates. However, if the foundation leases or shares space from a disqualified person and the rent is zero, there is no self-dealing.

Always check with your attorney before making any arrangements or signing leases. (See the legal chapter for more on self-dealing rules.)

## Family Office or Family Business Office

If your family has a family office or is considering starting one, running the foundation from this office may offer the most viable, cost-effective model. Many family offices provide staffing for administrative, financial, recordkeeping and investments for the family's foundation, which frees foundation trustees and staff (if applicable) to focus on grantmaking.

The Max M. and Marjorie S. Fisher Foundation is located next to the family office and shares some back-office support. The family doesn't own the building; it leases from a separate property owner, which removes the potential for self-dealing. According to executive director Doug Bitoni Stewart, the foundation shares a wall with the family office, but has a separate door.

"The family office treats the foundation as a highly-valued client, just as they do family members. They realize the family utilizes the family office by choice, and they treat us the same," says Stewart. "We think of the family office as critical partners. Through their expert work in investments and accounting, they help the family achieve their personal and financial goals. They also help us care for and operationalize the family's dreams for making social impact and repairing the world."

Other foundations start out co-located in the family or corporate office, and then break away as the foundation grows in assets and scope.

This was the case with the Self Family Foundation. Twenty years ago, when foundation president Frank Wideman III was hired, the foundation was located in the office of Greenwood Mills, the family company. "We had myself and part time help from a legal secretary when I first came on," says Wideman. "We grew in assets, and needed to build staff capacity. First, we moved out of the legal office and became a standalone office in the Greenwood Mills offices, and seven years later, we moved out of the building completely."

Similarly, the Cynthia and George Mitchell Foundation has received support from the family office since its inception. The family office provides all the back-office support such as accounting, investing and financial oversight. At the time, the foundation was in the process of undergoing an influx of assets after the death of founder George Mitchell, and plans to break away from the family office once the estate settles.

## Shared (Co-located) Office Space

Many foundations share office space or staff with one or more organizations—other funders, nonprofits or other types of businesses or start-ups. Sharing can cut down on costs while fostering a collegial, collaborative environment.

You can go your own way when it comes to sharing—finding tenants to sublease from your foundation, or renting from another already established entity. You might look into multi-tenant office space for nonprofits listed on the Nonprofit Centers Network ([nonprofitcenters.org](http://nonprofitcenters.org)).

Whether you are subletting office space, sharing a receptionist, or subleasing a photocopier, be sure you have a written agreement reviewed by your attorney. This will prevent possible misunderstanding between parties, and will keep you from violating any self-dealing rules.

Here are some tips for sharing an office:

- Consult your attorney before entering into sharing arrangements.
- Hold regular meetings to monitor general office issues and costs.
- Share reception responsibilities.
- Hold lunch meetings on similar funding interests.
- Share a meeting space, lunchroom, or other common area to

create opportunities for sharing ideas.

To support their grant partners and community, some foundations open their office spaces to nonprofit tenants.

For example, the Charles A. Frueauff Foundation (CAFF) moved its headquarters into the River Market district in Little Rock, Ark., and now provides affordable office space for nonprofits. According to the foundation, its shared space program affords nonprofits physical office space to help them further their missions—and their budgets. Nonprofit tenants may reside with CAFF for a minimum of two years and no more than five years. In addition to full-time office space, CAFF provides all nonprofits access to its board and meeting rooms.

A more flexible, nimble foundation might consider joining a membership-based co-working space, such as The Hub in San Francisco, New York, and Philadelphia, or GreenSpaces in Denver and New

York. These options would work well for a foundation that supports social engagement, environmental issues, and causes that these organizations attract. This arrangement can be a great way to keep a finger on the pulse of what's going on at a ground level, and match the foundation's mission and values with your choice in office space.

One more option for sharing space is joining an executive suites service (Regus is a well-known example). Memberships offer a sophisticated physical office, a mail-forwarding service, telephone center and support staff. This can be an affordable option—especially for foundation trustees and staff that aren't tied to a central location—and is one step beyond a home office, without getting locked into a lease.

## Dedicated Foundation Office

If you have more than one staff person or plan to convene grant partners and/or community members in your office, a stand-alone foundation office may be the way to go. To get started, you might contact a commercial real estate agent or broker who can show you spaces that match your specific requirements.

Before signing any lease, of course, have your attorney review the document.

Having an office gives your foundation a presence in the community. It's also a chance to show the community what you care about. Your office space can be a physical reflection of your values.

One of the best-known examples of this is The David & Lucile Packard Foundation. During its first 50 years, the Foundation has occupied eight buildings in or surrounding Los Altos, Calif. The Foundation's most recent headquarters is a net zero energy and LEED® Platinum "green" building. According to president and CEO Carol Larson, this was a conscious way to live the values the Foundation supports. "In building our new headquarters to the highest standards of sustainability, and in a way that others can replicate, the Packard Foundation has taken the extra steps necessary to truly live its core values and mission," Larson says.

Now operating the largest Net Zero Energy certified building in the world, the Foundation hopes to

inspire others to construct buildings that are more environmentally sustainable.

Another example is the Self Family Foundation in Greenwood, S.C.. The Foundation wanted to invest in revitalizing its town center. It supported a city center master plan to do so, and one of the keys to this was doing something with the Old Federal Building, which had fallen into disrepair. The foundation provided the funds to renovate the building, transforming it into an arts center. The foundation now pays a market rate to rent an office space from the Arts Council that owns the building.

"Renovating this building was a catalyst for helping the city gain federal and state dollars to renovate other parts of the town," says foundation president Frank Wideman. "Now, the downtown is thriving. We were able to leverage our money, bring economic activity back to the town center, and gain ourselves an office space in the process."

## Plan Ahead for the Space You'll Need

When it comes to finding a physical office location, be very clear of your needs and expectations, says Bobbi Hapgood, president of Educational Foundation of America.

"We looked for a space that could accommodate us in terms of physical needs today, and we quickly outgrew the small office we leased. Luckily, we were able to take over the second half of the building we were in, because moving the foundation offices—with all the computers, furniture and records—wouldn't have worked well."

She recommends foundations think 10 years down the road. "Get a blueprint of what you want—now and in the future—and then match the location with that. And never underestimate how much space you will need."

## What Office Equipment Do You Need?

When it comes to office equipment, the size of your office space and staff will generally determine what you need. Nevertheless, there are some essentials that you can't do without.

- Desktop or laptop computer (with microphones and camera for video-conferencing)
- Monitor, keyboard and mouse
- For larger organizations: a server and hub for network capabilities
- Multifunction printer, copier, and scanner (some still use fax machines; however there are online fax services that are just as easy)
- Office or mobile phone with a designated foundation phone number
- High-speed internet access
- Electronic file back-up system
- Desk, chair, and file cabinets (preferably fire-safe) as needed
- Surge protectors
- Postage meter (optional)
- Paper shredder (optional)

For more on software and technology, visit Tech Soup ([techsoup.org](http://techsoup.org)), which has developed computer and technology standards for small to mid-sized nonprofits.

## The Tools — What Technology Will Help You?

Just as in business, there's more to philanthropy than working hard; you also need to work smart. Technology makes it easier to do more with less.

Which tools can help you work smarter?

### Tools for Communicating with Grant Partners and the Public

It goes without saying: Foundations and giving programs need to think about how they communicate with grant partners and the public.

Yet some family foundations hesitate when it comes to going public. Perhaps they wish to maintain their privacy, or want to be seen as humble stewards. But consider that when a foundation posts no information, people can still find out about them through 990s and other public sources. What happens if there is misinformation out there? Or the public information doesn't tell the complete story? Your foundation will still get inquiries—and they will likely be the wrong inquiries.

Don't leave it to chance that others will get your story right. Take control of your foundation's narrative through a public website. By communicating clearly on a website, you can help streamline the inquiries you receive—saving you and your applicants time. And by being trans-

parent about what it is foundations do, you can help lift the entire field of philanthropy.

### Websites

Transparency is important in philanthropy, and websites are an easy and effective way to share your foundation information and identity. Your website makes your mission, guidelines, and application easy to find and access. It puts a face to your foundation. When done correctly, it can also cut through the questions—saving you hours of time in answering inquiries from would-be applicants.

Most foundations have, at the very least, a simple brochure-style website that makes them accessible to the public. At a minimum, you will want your website to feature the following:

- Contact information—a point person, telephone number, email address/online form, and mailing address
- Mission statement (some foundations also include their vision and values statements)

- Grant guidelines—including what you do and do not fund, and a clear description of the grant-making process (e.g., criteria, application requirements, deadlines, etc.)
- Examples of past grants

In addition, it can be helpful to include:

- An online or downloadable grant application
- Key staff and bios
- Board of directors list and bios
- Foundation history and/or founders' story
- Link to Form 990-PF
- Grantee stories
- Information for the media
- Opportunities to connect with your organization through social media

There are many options when it comes to creating a website. You can build the site yourself (or ask a tech-savvy family member to do so) using website software or online templates. You can hire a graphic designer to design a customized

site for you. (Wordpress is a popular option that allows you to maintain the site yourself once it's up and running). Or you can use FoundationWebBuilder, the Foundation Center's free service, which provides foundations a professionally designed site without the cost or hassle. With the growing popularity of mobile devices, it's also important to consider mobile-responsive options that render your site effectively on smartphones and tablets.

*For more on the importance of foundation transparency, visit [glasspockets.org](http://glasspockets.org) and [fundforsharedinsight.org](http://fundforsharedinsight.org).*

## Social Media

Social media can open you up to a whole new world of connecting and learning from others. It is a great tool for your foundation to join in the conversation about causes you care about. It's also a powerful way to support your grantees—showcasing the good work that they do.

More private foundations have active Facebook pages, Twitter feeds and YouTube channels—and many foundation leaders and staff are using personal social-media accounts to talk about their work, follow grantees, and connect with peers. Yet social media can feel daunting at first for both new and seasoned foundations alike. Technology changes fast, and it takes time to keep up with all the latest trends,

tweets, and tools. Social media also means inviting even more exposure for your foundation than a website alone—something your foundation may or may not be ready for.

Unless you hire a consultant to handle your communications for you (which some foundations do), someone on your board or staff will need to be in charge of maintaining the foundation's social media presence—ideally on a daily basis. This makes social media a management issue as much as it is a communications one.

Before diving into the social media scene, consider these questions:

- What are your goals for communicating via social media?
- Which audiences are you most looking to reach?
- What interest and internal capacity do you have to manage social media?
- What is the appropriate "voice" for the foundation?
- What is a clear process you can set for who, what, and how often to engage in social media?
- What is appropriate use of social media for family members, board members, or staff who use their personal accounts to talk about their work?

*For more on websites and social media, see Chapter XX on Communications.*

## Online Grant Applications and Grants Management Software

Online grant application systems can be a big timesaver for you and your grant partners. For grantseekers, it's usually easier to fill out an electronic form and submit it online than it is to create a standalone document and send it in by mail or email. Similarly, an online application system gives board and staff members access to grant applications without having to print a single page.

► For sample online grant applications, visit the Meadows Foundation ([mfi.org](http://mfi.org)), the Edith Bush Charitable Foundation ([edytbush.org](http://edytbush.org)), or the W.K. Kellogg Foundation ([wkkf.org](http://wkkf.org)).

Most online grant applications come as part of a larger **grants management software system**. There are many vendors offering these systems, and each range in terms of complexity and price. Some of the well-known vendors include Common Grant Application, FLUXX, Foundant, MicroEdge and PhilanTech.

Once upon a time, all software had to be directly installed onto computers—but more and more, vendors are hosting software that users access remotely via the cloud (meaning, you can access it from any computer over the Internet). At the time of this publication, small packages can support straightforward

online application, review and grant reporting for around \$3,000 per year; while a custom-built solution for a large foundation can cost more than \$200,000.

You may find it easy to manage without such software. Yet, even relatively small grantmaking programs involve tracking dozens of applications, reviewers, requirements, and payments. Grants-management software also allows you to collect data online—for example, through grant applications or grant progress reports.

If your process is complex enough that you're wondering whether a grants-management system might be helpful, do some research. Think first about your goals. What are you trying to achieve, and what tools would best serve you? What information do you need to track during a grant cycle, or after the cycle has ended? How would a grants management system streamline your operations and improve your efficiency?

Here are some additional questions to consider when looking at various packages:

- Will the system make it easy to gather the information and data you require?

- Can the application meet all of your current and anticipated needs?
- How much does it cost? Will it be cost effective?
- How could it help your grantees?
- Can the software be customized to your needs?
- Is the software online or installed? What are the benefits/risks of each?
- What security measures are in place to protect your foundation and grant partner information?
- Is the software compatible with your current technology infrastructure (e.g., accounting software, board website, etc.)?
- Will training be needed for board and staff?
- Is technical support available, and does it cost extra?

Read the latest grants-management system consumer report on Idealware.org to compare different vendors and software packages. You can also visit ProjectStreamline.org, a project of the Grants Managers Network, which offers reports on streamlining online applications and a review of seven of the most popular vendors. In addition, seek recommendations from other funders that are similar in size, infrastructure and number of grants per year.

### COLLEAGUE STORY:

The Self Family Foundation recently transitioned to the web-based grants-management system MicroEdge GIFTS.

"It's given us capabilities we didn't have before (e.g., electronic applications) and has helped us streamline our operations," says foundation president Frank Wideman. "In the past, our board packets were hard copies. Now we use DropBox to transmit our dockets and proposals, and all of our trustees have iPads to open the documents at meetings. We've become electronic in the way we do business."

Wideman notes that the foundation still takes paper proposals as well as electronic, respecting the fact that not all of its grant partners have the technology to do online applications.

# Communicating with Trustees, Staff, and Extended Family

What is the role of your foundation in the life of the family?

The answer to this question will be different for each foundation, and it alone may determine how much, how little, and in what ways the board, staff and family communicate with each other.

For foundation boards and staff, getting the work done well requires communicating and coordinating among many people. Many foundations turn to technology to work more efficiently and stay in touch in between meetings. Certainly, there is no shortage of tools that make communication simple, fast and effective.

To find the best technology for your foundation, start by surveying your board and staff needs. *Is it challenging finding a date for board meetings? Do trustees live in different towns or states, and need a way to connect with each other more frequently? Does emailing back and forth feel overwhelming?* Questions like these will steer you toward what tools would be helpful. You can also get ideas from talking with other foundations about what works for them.

Before bringing on any new tech tools, be sure to consider board members' level of comfort with technology, as well as individual working styles. Some people may be resistant to change, and you may need to balance what's best for board overall. A little training (or patient hand-holding) upfront can make a difference in how receptive people are to new technology.

Here are just a few of many tools you might consider:

**Meeting Scheduling Software**  
Foundation boards meet in person or by phone several times a year, and coordinating busy schedules can be challenging. If your board actively uses the same calendar system (such as Google Calendar or Microsoft Outlook), it might be easiest to schedule a meeting or site visit by viewing everyone's calendar online and choosing a date that works. However, if calendars are not up-to-date, this might cause confusion.

Meeting scheduling software is often available for free online (Doodle is a popular option). This software enables a meeting organizer to offer date and time options to attendees, compile responses, and set a time that works for everyone. The scheduler then sends an automated email to the group to save the date. Other calendar management tools with more functionality include Congregar and ScheduleOnce.

## COLLEAGUE STORY:

"What's great about a Doodle poll is that it gives individuals a chance to look at their calendars at home, and then schedule or respond to event requests," says Bobbi Hapgood, president of the Educational Foundation of America. "As the organizer, when I'm scheduling a meeting, I can see everyone's choices, and so can everyone else. It's a transparent document." She says the foundation has also used the survey tool SurveyMonkey to help poll for locations of board meetings, dates, and activities, as well as survey their grantees for feedback.

## Phone and Video Conferencing

Conference calls remain a useful option for meetings where you must accommodate some board members remotely. Many options are available at low or no cost—including FreeConferenceCall, Budget Conferencing, and AT&T Conferencing.

More people prefer video conferencing for a more interactive experience. Again, many no-cost or low-cost options exist: Skype, Oovoo, Google Hangout and FaceTime are just a few, and each has its own capabilities. You will want to make sure everyone has a computer or mobile device with a web cam.

In addition to keeping the board and staff in touch, video conferencing can also be used as a part of grantmaking. Some foundations use video conferencing to interview grant applicants in lieu of a site visit (particularly for grant applicants that are located in a different area than the board).

## Webinar Software

Webinars are not just for online courses: They are another way to connect board members virtually. Webinar technology is a step up from video conferencing, as it allows participants to view documents and presentations over the Web

and through screen sharing. These systems also allow you to record the meeting and distribute it to those who couldn't attend. Popular webinar software includes GoToMeeting, GoToWebinar, WebEx and Live Meeting.

### COLLEAGUE STORY:

The Frieda C. Fox Foundation uses GoToMeeting or Google Hangouts for conference calls and board meetings. According to executive director Annie Hernandez, video conferencing allows remote board members to join in remotely and get to see each other. The foundation also uses short video clips as a part of its meetings. "These days, anyone can make videos using a phone. We have family members make a short 30-second video recap of their site visit to share with the rest of the board. This gives others a snippet to visualize the place and people there. We then share the videos through our YouTube page."

## Document Sharing

It used to be that bulky board books were printed and shipped to each board member in advance of meetings. Today, most foundations share information electronically—a more efficient and lower cost option than hard copies.

There are many options for sharing documents simply and securely on the web. Online storage services (such as DropBox, Box and Google Drive) are some of the most commonly used. Anyone can upload a file or create a folder and share it with others.

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Some foundations customize their own board website—a password-protected area of where they can not only share documents, but also post news, offer feedback, download meeting minutes and more. Many web hosting services will create these pages for an added cost. The Max M. and Marjorie S. Fisher Foundation, for example, has a family-only section of its website where it shares board agendas and meeting minutes accessible only to the family.

Online workspaces (also called web portals) are a practical solution when sharing *a lot* of documents back and forth, and/or collaborating between many people. They often offer more sharing capability than online

storage services and board websites can provide. Examples of online workspaces include OneHub and WizeHive. Some workspaces can be used to manage calendars, communicate with others in a group, and manage projects and tasks across different devices (desktops, laptops, tablet computers, etc.).

#### **COLLEAGUE STORY:**

Annie Hernandez, executive director of the Frieda C. Fox Family Foundation, learned from a previous experience that sometimes an extensive, customized back-end to a website isn't used to the level a foundation hopes it will be. She approached the website redesign differently for the Frieda C. Fox Family Foundation. "We found out our board and family members want to access documents and information, but not much beyond that," Hernandez says. "My advice would be to start with something simple, like DropBox or OneHub (what we use), and see how people interact with it. Have a space where people can download documents; it doesn't have to be fancy."

#### **Project Management**

Board portals are another option for document sharing, as well as a project management tool. They function as a one-stop-shop option to handle all board tasks in one system. Most are subscriber-based services where users can schedule and prepare for meetings, create board books, share feedback, and take notes as they review materials. Examples of board portals include BoardEffect, BoardVantage, Diligent Boardbooks and Directors Desk. These portals are available at a range of prices.

There is also a number of project management and collaboration tools that help teams manage tasks without email (e.g., Asana, SmartSheet). Search for "online project management tools" if you are interested in comparing capability and pricing.

#### **E-newsletters and Email Updates**

Some foundations like to send out monthly or quarterly updates and news to the board and/or extended family members. A foundation might also send an external e-newsletter to grant partners and colleagues. Web-based email service providers such as MailChimp, Constant Contact, Aweber, or Campaign Monitor make this process quite simple. Among other functions, these services provide email templates and list management—making it easy for you to create your content and hit send.

#### **COLLEAGUE STORY:**

The Durfee Foundation in Los Angeles sends a short biweekly newsletter it calls "Sticky Notes" (a pun on the fact that the family founded Avery International).

"We use the Sticky Notes emails to keep trustees updated," says President Carrie Avery.

"We send it out to current and past trustees, family members who are not on the board, and the next generation—giving them an idea of what's happening with the foundation." The foundation uses the free email service provider MailChimp to send out these e-newsletters.

If you don't want to use email software, a simple document attached to an email will do. Another foundation creates a PDF out of a Word document, and sends it that way. According to the director, "Rather than use an email service provider, which can cause some emails to end up in spam folders, we keep it super low tech and send it ourselves."

## Online Survey Tools

It helps to set up a system to regularly ask for feedback on foundation operations. Survey the board, the family, and your grant partners—either in person, on a hard copy document, or electronically through an online survey tool (SurveyMonkey and Zoomerang are popular). Surveys or interviews can reveal blind spots you aren't aware of and can help you improve operations and grantmaking. When designing any survey, give respondents the option to remain anonymous. You may get more honest answers that way.

For example, one family foundation surveyed its grant partners a few years ago in conjunction with the Center for Effective Philanthropy, and to its dismay, discovered its grant partners thought the foundation seemed disorganized and unresponsive. According to one board member, “We were able to use the survey results to reflect on ourselves and how we were operating. It became more than airing family issues. With this data from the outside world, we were able to address some of the issues in the family that weren’t being addressed.” The family swiftly made changes to address the operational issues, and changed its perception.

## Final Words

As you can see, there are many different options for how you structure, staff, house and run your family foundation. Each of them will take you down a new path of learning and outcomes.

Although it may at first seem overwhelming to set up or restructure a family foundation, it doesn’t have to be. Take heart: The management choices you make today are not forever. You may find they work for a year, or two or ten, and then your foundation changes course—along with your management style and systems.

As a family foundation colleague once said, “Let’s go as far as we can see, and then see how far we can go.”

You may not know how you will evolve, but one thing is certain: you will evolve. Be thoughtful about your choices, and enjoy the adventure. ■