

WEBINAR

The Path to Impact: Tips From Our Experts



New foundation leaders often search for the “right” way to operate a foundation. While there are certain rules of the road, the truth is that there are many ways to approach grantmaking. Foundation Source recently hosted a webinar where we were joined by two foundation leaders from established, successful foundations who shared how they started in different places but landed on a similar course toward impactful giving. In this informative session, we discussed determining a programmatic starting point, various approaches in addressing community needs, allowing grantmaking to evolve and more. Read on for bonus insights from our philanthropic experts to help smoothly navigate your path to impact.

Want to hear directly from the foundation leaders and learn more about the unique ways they each navigated their foundation’s path to impact? [Watch the session here.](#)



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As a foundation starts to learn about community challenges and deliver immediate support, how can they begin to address longer-term needs?

Foundations often develop a growing awareness of the topics and challenges that need to be addressed through conversations with community members, service providers, field experts and grant recipients. Longer-term support is often an outgrowth of these deepening relationships. While addressing immediate or short-term needs often appears as a natural starting point, focusing on solving issues with a longer funding timeline (e.g., three to five years) allows foundations and service providers to set goals for deeper learning and impact. Some factors to incorporate in longer-term planning:

- Develop a reporting mechanism with funding partners to gauge progress.
- Build solid foundation/grantee communications practices to ensure realistic expectations and a seamless flow of information.
- Practice flexibility by allowing funded program goals and components to adjust based on what is learned.

How does a modest-sized foundation move the needle on large issues such as education, poverty, and climate change?

Tackling big issues can certainly seem daunting. For a manageable start, try to find smaller components of an issue or method of support that will narrow your funding scope. For example,

- Select a specific geographical region where progress can be made within your giving budget.
- Approach an issue from more of a micro level. For example, poverty could be narrowed down to local food delivery, housing homeless populations, or job training.

Alternatively, foundations might choose to stay within a larger topic and join forces with other like-minded funders with similar goals.

Is it necessary to have an application process?

Not all foundations use applications as part of their funding process; however, an application can be a useful tool to gather, compare and analyze similar data and provide a uniform approach for decision-making. Consider using applications if your foundation:

- Plans to receive or support requests from a large number of organizations.
- Has limited resources to gather information on potential grantees.
- Seeks to compare potential grantees using the same criteria.

How do you choose organizations to support from among so many that are doing great work in a given field?

Selecting funding partners is a bit like matchmaking. Before choosing from an array of options, conduct an inventory of foundation preferences to ensure the best fit. For example:

- What program area, population, and locations are you interested in?
- What is your preferred grantee size and level of complexity?
- Does the foundation want to stand out or blend in with other funders?
- How comfortable are you with risk, e.g., are you willing to engage with a nonprofit experiencing a leadership transition, financial instability, or developing new programming where effectiveness is unproven?

Knowing the foundation's interests and funding parameters will make it easier to select organizations that match your criteria.

When considering support for under-resourced community organizations, how can the foundation gather information without making the process too daunting for the potential grantee?

Foundations are often seeking a balance between their goal to make an informed funding decision and the ability of a charitable organization to supply the information needed. For nonprofit organizations with limited capacity to prepare grant proposals and reports, foundations can consider a step-by-step vetting process that gathers the necessary information without over-burdening a service provider:

1. Conduct preliminary online research to learn as much as possible about the organization of interest.
2. Contact the organization through a call or email to answer any follow-up questions.
3. Ask for documents that are typically in hand or prepared annually such as a financial report, list of donors, budget, and a letter showing tax-exempt status.
4. Meet the organization in action where the foundation can observe but not interrupt activities.

This process not only provides a foundation with the needed information without burdening potential grantees, but also offers an opportunity to establish a positive relationship between the foundation and those they support.

ABOUT FOUNDATION SOURCE

Foundation Source **empowers people and companies to create a better world** through philanthropy. As the nation's largest provider of foundation management services, we're a trusted source for philanthropic expertise. We invest in industry-leading technology for private foundations and offer a configurable suite of administrative, compliance, tax and advisory solutions that meet you where you are in your philanthropic journey.

For more than two decades, we've worked with individuals, families, boards and professional advisors to preserve legacies and make giving easier. Today we are proud to support **more than 2,000 unique foundations** and have facilitated over **\$10 billion in charitable aid**. With a 98% retention rate, we are honored to have earned the trust and loyalty of our clients.

HAVE A QUESTION?

Call 800.839.0054 or send us an email at info@foundationsource.com.

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