



FAMILY *Matters*

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ASSESSING OUR WORK: EVALUATING FOUNDATION PERFORMANCE AND PRACTICE

THE IMPORTANCE OF ASKING

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The Importance of Asking

*Carrie Avery, President
The Durfee Foundation, Los Angeles
www.durfee.org*

Many of us in foundations evaluate the work of our grantees. We assess their programs, outreach methods and ability to deliver services. But how often do we put our own foundation practices under the microscope?

Foundations are not required to self-evaluate and receive little pressure to do so. Unlike the nonprofits to whom we make grants, there is no outsider scrutinizing our practices to see if they are efficient or even necessary. Because of this, we must take responsibility to evaluate our own practices—to ensure that they are relevant, accessible and important.

At the Durfee Foundation, we evaluate our grantmaking practices with the help of the community we serve. For example, we convened a weekend retreat for past grantees of our Sabbatical Program—a program designed to give outstanding nonprofit leaders an opportunity to take time off from their work to rejuvenate. Facilitating the retreat ourselves, we aimed for an informal conversation among grantees. We discussed the challenges facing leaders in the nonprofit sector, what foundations could do to help and how our program worked for their organization.

In addition to the retreat, we sent written surveys to all of the program participants to learn how the grant affected them. In these surveys as well as others, we asked questions to gauge perceptions and the impact of both our program and operations. For example,

- *How would you describe your encounter with the Durfee Foundation?*
- *What advice would you give about the future of the program?*
- *Is there anything the Durfee Foundation could have done to better support you?*



Self-assessment with our grantees was the easy part; we also needed to hear from the applicants who did not get grants. We had learned from Frances Phillips at the Walter and Elise Haas Fund that some of the most important feedback they received came from unsuccessful applicants. In a similar assessment, we mailed surveys to all who had applied to the program in its four-year existence. In an anonymous survey, we asked the following types of questions:

“Self-assessment sends a message to the grantseeking public—that we care what they think.”—Carrie Avery

- *How did you hear about the program?*
- *What factors influenced your decision to apply?*
- *What was the impact (on you, your staff and/or board) of your not being selected for the award?*
- *Do you feel that Durfee review panels have made appropriate awards over the past four years? Why or why not?*
- *Would you consider reapplying to the program? Why or why not?*
- *What comments do you have on the application process itself—including the application, site visit, interview (i.e., was it difficult, manageable, helpful, hurtful, etc. and why)?*

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The Importance of Asking (Continued from page 1)

In reviewing the overwhelmingly thoughtful responses to the survey, we learned that the program is well regarded in the community—even by those who did not receive grants.

The surveys and retreat helped us streamline our application forms and clarify our guidelines. Based on survey suggestions, we revamped our Web site to answer questions from the applicants. From the retreat, we learned a great deal about how we could better support our grantees. For example, we created a community among them. Durfee now hosts informal luncheons semiannually, enabling this community—and our self-evaluation—to continue.

Not only did our self-assessment teach us how we can do better, but it also sent a message to the grantseek-

ing public that we care what they think. Several participants expressed their gratitude and amazement that we were seeking their feedback. Although we have no illusions that we received perfectly unbiased information, we believe we made an important start—simply by asking.

I encourage other family foundations to think of ways to self-evaluate. Not only will it improve your programs and operations, but it may also improve your relationship with the nonprofit community.

Established in 1960, the Durfee Foundation is a mid-size family foundation with a staff of two and an active all-family board of six. Carrie Avery, president, also chairs the Family Foundations Network at Northern California Grantmakers, where she serves on the board.

Improving Practices

There are many creative ways to improve your practices, learn from your grantees and strive for a better process:

- Conduct surveys, focus groups and/or informal interviews with grantees and colleagues.
- Develop a feedback program (such as an ombudsperson) that would be a vehicle for those dealing with your foundation to make both positive and negative comments.
- Bring in teams of outside evaluators, including representatives from the larger nonprofit sector, who look at the foundation's internal processes and conduct confidential interviews with foundation staff and board members as well as applicants and grantees.

Lessons learned from "Best of the Worst Practices," by Bruce Sievers, executive director, Walter and Elise Haas Foundation, and Tom Layton, president, Wallace Alexander Gerbode Foundation, Foundation News & Commentary, March/April 2000. Read the full article at www.cof.org/foundationnews/0300/coverstory.html.



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What Makes Good Feedback?

- Feedback is specific rather than general.
- It is solicited rather than imposed.
- It is descriptive rather than judgmental.
- It addresses the needs of both the receiver and the giver.
- It is directed at behavior that the receiver can change.
- The giver and receiver review feedback together to ensure accuracy and clear communication.



Colleague Q and A: Creating an Assessment Culture

The Geraldine R. Dodge Foundation in Morristown, New Jersey, builds an assessment culture by linking the work of its grantees to their own internal assessments. Executive Director David Grant describes the initiative below.

Q. What is good assessment?

A. The number one principle of assessment is that it is designed to improve performance. Many think of assessment as a means to merely audit the work, to see if it has met expectations and/or standards. Often, they will look upon assessment as a chore or [as] unrelated to their work. Assessment is also about planning and—when done well—improving the performance of the work.

Q. How should foundations plan for self-assessment?

A. Instead of planning ahead, assessment involves planning backwards. Rather than saying “Here is what we plan to do,” ask “What will it look like next year if we succeed?” This assumes that if you know where you are heading, it is more likely you will arrive. In fact, you can design how to get there. Good assessment imbedded in the work improves the work.

Q. What is the Dodge Assessment Initiative?

A. The Assessment Initiative is a joint venture between the Dodge Foundation and 200 of its grant recipients. We hope to improve the performance of nonprofit organizations—including our own—through a thoughtful, sustained approach to assessment.

Since 1998, we’ve held a series of workshops with grantees to help them become better assessors of their work by modeling the assessment of our own work. We take these approaches to assessment:

- Assessment is a matter of careful design, incorporated in planning from the beginning, not tacked onto the end.
- We emphasize the power of feedback, the kind you won't get unless you design to get it.

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Learning from our Peers

The **Blandin Foundation** in Grand Rapids, Minnesota, created a peer review process in 1997 to measure board performance. Each board member completes a questionnaire that evaluates fellow board members. The questionnaire focuses on four areas: knowledge and commitment to the foundation; relationship skills; board level performance; and recommendation for nomination. Once the questionnaires are complete, the board chair then meets individually with each board member to share the results.

The experience has been positive, said trustee Jim Hoolihan. “We have found the peer review process results in a stronger board, with individual members recommitted to its mission, attentive to performance and details and enthusiastic about moving ahead. My plea to other foundations is to act now—implement your own board review process. It may be intimidating, but it gets to the issues at hand, provides accountability and leads to action.”

For more information, read a June/July 1998 *Foundation News & Commentary* article written by Hoolihan at www.cof.org/foundationnews/backissues/.htm or contact the Blandin Foundation at 218/326-0523 or www.blandinfoundation.org.

Grantmakers In Health, an organization dedicated to helping foundations and corporate giving programs improve the nation’s health, initiated a peer assessment pilot project last year. This project allows foundations at any stage of development to benefit from a confidential and candid performance review by a team of grantmaking colleagues. With a goal to raise professionalism throughout the field of health philanthropy, the model promotes best practices and helps foundations adapt them to their own circumstances. “We’re hopeful that Peer Assessment will prove to be one useful tool to help foundations, regardless of funding areas, operate as effective, responsible and accountable organizations,” said President and CEO Lauren LeRoy, Ph.D. For more information on this peer-to-peer assessment model, contact Saba Brelvi, program associate at Grantmakers In Health, 202/452-8331 or www.gih.org.



Self-Assessment: Should You Use an Outside Evaluator?

Point: “In addition to soliciting direct feedback, we hired an outside consultant to survey our grantees, employees and other foundations with whom we work. By using an independent consultant, we ensured the confidentiality of those who participated in the survey. We wanted them to be honest with us—and they were.”

— *Sanford R. Cardin, Executive Director,
Charles and Lynn Schusterman
Family Foundation*

Counterpoint: “The Ms. Foundation asks for feedback directly from its grantees and constituents. We get important and confidential feedback when we use consultants, but we must then interpret what the consultant has already interpreted.”

— *Margaret Hempel, Director of
Program, Health and Safety, Ms. Foundation*

Middle Ground: “The commonsense approach to assessment begins by asking: What do you want to learn? That question is the big, important, nontechnical question that you don’t have to be an evaluator to ask. The technical part of an outside evaluator’s contribution works best when it starts after the foundation has figured out what it wants to learn. Even then, many of the things a foundation wants to learn do not require a professional evaluator to find out. It’s a question that you, and your colleagues at your foundation, and your grantees, are the best-qualified people to answer.

— *Edward Pauly, Director of Evaluation,
Wallace-Reader’s Digest Funds*

Looking for an evaluator? The Council on Foundations can suggest sources of information to help you locate one. Contact Elaine Gast at 202/467-0433 or gaste@cof.org.

Survey Says!

In 1995, the Z. Smith Reynolds Foundation in Winston-Salem, North Carolina, conducted a confidential grantseekers survey. The foundation sent these surveys to every grant applicant from the years 1990–94, and hired an outside agency to tabulate results and report the findings. They divided the survey into three broad areas: general questions about the foundation and its grant program; specific questions for applicants who have not been awarded grants and specific questions for those who have; and general questions about applicants.

Based on the recommendations within the surveys, the foundation now provides more detailed, personalized feedback to individuals on why their grant applications are denied. According to Martha Pridgen, director of administration, the foundation also enhanced its Web site (www.zsr.org) after the survey, adding a Grantees Links section that lists grantees, their Web sites and e-mail addresses. In response to a need to educate inexperienced grantseekers, the Z. Smith Reynolds staff now speaks frequently at regional grant writing meetings conducted by nonprofits, a great many of which are their grantees.

For more information on the survey, contact the Z. Smith Reynolds Foundation at 336/725-7541.

Communicating with Grantees

How well do you communicate what your foundation does to grantees? Consider the following questions as a baseline for your own self-assessment plan:

- Does the foundation have a mission statement and description of program interests easily available to the public? Can the public easily find the foundation’s telephone number (and Web site, if there is one)?
- Does the foundation make grantseekers aware of the steps and timing involved in the grantmaking process? Does the foundation promptly acknowledge receiving all proposals?
- Does the board publish an annual report or guidelines and a grant list that describe the foundation’s work?
 - ✓ Do these documents define program interests?
 - ✓ Do they detail how trustees prefer to receive applications?
 - ✓ Do they let applicants know when to expect a response?
 - ✓ Do they provide information on recent grants?
 - ✓ Are they distributed to:
 - Public officials? The Council on Foundations? The Foundation Center? Local or regional associations? Local press? Former recipients? Local grantseekers? Affinity groups of grantmakers?



ON THE BOOKSHELF

Self-Evaluation: An Important Tool for Foundation Management and Accountability

This booklet describes how one foundation assessed its own performance within the community. Contact the Frey Foundation at 616/451-0303 or visit www.freyfdn.org.

The Drucker Foundation Self-Assessment Tool: Process Guide and Workbook

This revised Self-Assessment Guide and Workbook combines long-range planning and strategic marketing tools for foundations. Drucker Foundation and Jossey-Bass, Inc., Publishers, 1999. \$35/set. To purchase, contact Jossey-Bass Publishers, 800/956-7739 or visit www.pfdf.org/leaderbooks/sat or www.amazon.com.



Self-Study Guide for Family Foundation Boards

This resource helps identify ways to improve your current board operation, shape future board operations and measure your goals and progress. 22 pages, 1994; \$45/set. To order, call 888/239-5221 or go to www.cof.org; Order #807.

Self-Assessment for Foundation Boards

65-page user's guide plus 15 26-page questionnaires. NCNB members \$179, Council members receive a 10 percent discount on the nonmember rate of \$239. Contact the National Center for Nonprofit Boards at 800/883-6262 or visit www.ncnb.org.

STATS and FACTS

Giving USA 2001

A new report by the AAFRC Trust for Philanthropy estimates total charitable contributions of \$203.45 billion during the year 2000. Despite concerns of a cooling economy, giving increased 6.6 percent (3.2 percent when adjusted for inflation) from the 1999 total of \$190.79 billion.

The Annual Report on Philanthropy is now available on disk and will be available in book form by September. To order, call 888/544-8464 or visit www.aafrc.org.

SITES TO SEE

Grantmakers Evaluation Network (GEN)—www.hogg.lac.utexas.edu/gen

An affinity group of the Council on Foundations, **GEN** is an organization for foundation staff and trustees who share an interest in evaluation and philanthropy. The Web site features a comprehensive publication list on evaluation. According to GEN Chair Robert Eckardt, "Evaluation is an important part of knowing whether you make a difference. We try to demystify evaluation and self-assessment to make everyone at home with them." For more information on GEN, contact Eckardt at 216/861-3810.

Grantmakers for Effective Organizations (GEO)—www.geofunders.org

An affinity group of the Council on Foundations, **GEO** advances and expands organizational effectiveness practices in and by the philanthropic community. GEO, along with GEN and the Forum of Regional Association of Grantmakers, is organizing a conference open to family foundations for March 6–8, 2002. For more information, contact GEO Chair MaryAnn Holohean at 650/366-7382.

FYI on Focus Groups

One way to assess your work is by organizing a focus group, an informal session to gather information and perceptions about a specific area of interest. If you are considering a focus group, these tips may help:

- Choose participants randomly to gain a diversity of opinion.
- Invite—never require—participants to attend.
- Include 10 to 20 participants who interact with the foundation. These can be grantees, colleagues, employees, etc.
- The goal is to gather information—not to educate or influence opinion. The facilitator usually poses a set list of questions to which participants respond.
- At the outset, explain that there are no wrong answers or opinions. There is no need for participants to reach consensus.
- If possible, hold more than one focus group for any one topic. This way, you will gain a wider spectrum of opinion.

For more information on focus groups, see the InnoNet Web site at www.innonet.org and click on "resources."



Council Advances IRS Streamline of International Grantmaking

Council on Foundations Secures Information Letter That Permits Use of Expenditure Responsibility for Most Grants

After a two-year effort by the Council on Foundations, the Internal Revenue Service (IRS) has issued a general information letter affirming that private foundations can use expenditure responsibility procedures for most of their international grants. The letter confirms that foundations do not need to determine whether a potential grantee is the equivalent of a U.S. charitable organization before turning to expenditure responsibility.

According to the IRS letter, a private foundation may treat a foreign organization as a non-charity from the outset. A private foundation may also turn to expenditure responsibility when its efforts to determine the charitable status of the entity have been unsuccessful or inconclusive.

NEW

The Council has released a new publication, *Expenditure Responsibility Step by Step*, by the Council's Senior Vice President and General Counsel John Edie. This book provides a detailed introduction to all aspects of exercising expenditure responsibility and contains sample forms. Order copies online at www.cof.org or by calling 888/239-5221.

In addition, the letter notes that a private foundation is not bound by another private foundation's determination. Even if one U.S. foundation has chosen to treat a foreign organization as the equivalent of a U.S. public charity, another private foundation may elect to exercise expenditure responsibility in connection with its grant to the same organization. Finally, the letter confirms that the IRS will respect a grantmaker's characterization of a foreign grantee as a non-charity. Unless that foreign grantee has applied for and received an IRS determination letter, the IRS will not treat it as a charitable organization.

To read the IRS letter in full, go to www.cof.org/government/irsletter.pdf. If you have questions on this issue, please contact the Council's Legal Services department at 202/467-0466 or legal@cof.org.

GLOSSARY

Expenditure Responsibility:

When a private foundation makes a grant to an organization that is not classified by the IRS as a tax-exempt public charity, the private foundation may exercise expenditure responsibility to ensure that the funds are spent for charitable purposes. Such grants require a pre-grant inquiry and a written grant agreement. The grantee must supply follow-up reports and the foundation must list such grants on its tax return, Form 990-PF.

Colleague Q and A

Continued from page 3

We urge the groups we are working with to become assessment cultures, and we try to do the same ourselves.

Q. How has Dodge created its own assessment culture?

A. For one, we have designed feedback systems. Assessment that improves performance involves feedback—descriptive feedback. If we don't build in opportunities for feedback along the way, we run the risk of getting it too late to

"We don't do assessment and then move on to something else. Assessment is a journey."

—David Grant

affect what we are doing. Good assessment is about continuous improvement.

We also hold retreats for institutional development. For two weeks in June and two weeks in December, our machine goes on idle and we focus on long-term strategic planning. We try to prac-

tice what we preach, asking ourselves the same questions we ask of our grantees. Planning backwards, we ask: What does effective grantmaking look like? What does an effective relationship with our grantees look like?

Above all, we don't do assessment and then move on to something else. Assessment is a journey.

For more information on the Dodge Assessment Initiative, contact David Grant at 973/540-8442 or visit www.grdodge.org/assessment/index.html.



What's New in Family Foundation Services

Welcome New Committee Chair

The Committee on Family Foundations and the Family Foundations Services Department welcome the committee's new chair, Bruce A. Maza.



Bruce has served on the Committee for three years, and last year volunteered for the 2001 Family Foundation Conference Planning Subcommittee.

Bruce serves as the first nonfamily executive director of the C.E. & S. Foundation, a private family foundation in Louisville, Kentucky. Born and educated in Pennsylvania (Franklin and Marshall College, 1972), he was the first nonfamily program officer for the Lloyd E. Rigler and Lawrence E. Deutsch Foundation in Los Angeles. In 1991, he became the first resident project director of the Lilly Endowment's GIFT initiative, the now \$350 million program to spur the growth of community foundations in Indiana.

The Committee and Family Foundations Services extends thanks to outgoing chair Charles Hamilton, executive director of the Clark Foundation, for his leadership over the past two years.

Welcome New Committee Members

Betty Craven, vice president and board member for the Warner Foundation in Durham, North Carolina.

Diana Gurieva, executive director for the Dyson Foundation in Millbrook, New York, and Chair of the 2001 Family Foundation Conference Planning Subcommittee.

Sybil Jordan Hampton, Ed.D., trustee for the Mary Reynolds Babcock Foundation in Winston-Salem, North Carolina, and executive director of the Winthrop Rockefeller Foundation in Little Rock, Arkansas.

Richard "Skip" Moore, Ex Officio Member, president of the Weaver Foundation in Greensboro, North Carolina, and chair of the 2002 Family Foundation Conference Planning Subcommittee.

Phillip H. White, president of the Hamilton-White Foundation in San Diego, California.

Welcome New Intern

Sonia Segarra Law has joined the Family Foundation Services staff as an intern for Summer 2001. With a background in events management, Sonia will help plan for the 2002 Family Foundation Conference scheduled for February 6-8 in New Orleans.

Next Issue

Thinking of establishing a donor-advised or commercial gift fund? See the fall issue of *FAMILY Matters* on Multiple Giving Vehicles. Send your story ideas to Elaine Gast, editor, at gaste@cof.org.



"No, I don't want to know what my approval rating is."



CALENDAR

July 26-27

MANAGING YOUR SMALL FOUNDATION: OPPORTUNITIES AND PITFALLS

Minneapolis, MN
Association of Small Foundations
Lisa Cooke: 301/907-3337 or
lisa@smallfoundations.org

July 29-31

CORPORATE COMMUNITY INVOLVEMENT CONFERENCE

Boston Park Plaza Hotel
Boston, MA
Fran Eaton: 202/467-0447 or
eatof@cof.org

August 19-23

CIVICUS WORLD ASSEMBLY PUTTING PEOPLE AT THE CENTRE: VOLUNTARY ACTION SHAPING SOCIAL AND ECONOMIC CHANGE

Vancouver, British Columbia,
Canada
Shabna Ali: 604/408-6722 or
assembly@civicus.org

November 2-4

MAKING MONEY MAKE CHANGE: 4TH ANNUAL RETREAT FOR YOUNG WOMEN AND MEN OF INHERITED WEALTH

Santa Cruz, CA
Third Wave Foundation
212/388-1898 or
thirdwavef@aol.com

November 7-10

MAINSTREAMING EVALUATION 16TH ANNUAL CONFERENCE OF THE AMERICAN EVALUATION ASSOCIATION

St. Louis, MO
AEA: www.eval.org/eval2001

December 3-5

INSTITUTE FOR NEW GRANTMAKERS

Washington, DC
Council on Foundations
Sophie Dunbar: 202/467-0423
or dunbs@cof.org

Visit the Conference Web Archive— Online Now!



Missed the awards luncheon at the Council on Foundations' 2001 annual conference? Transcripts of the acceptance speeches are now online.

Read reflections of the Boston Foundation's Anna Faith Jones on her 25-year career in grantmaking as she received the Distinguished Grantmaker Award: www.cof.org/newsroom/awards/dgaspeech.htm.

Learn more about Robert W. Scrivner Award winner Craig McGarvey's creative grantmaking at the James Irvine Foundation: www.cof.org/newsroom/awards/RWSAward/scrivnerspeech.htm.

Find family foundation recipients of the Wilmer Shields Rich Awards for Excellence in Communications: www.cof.org/newsroom/awards/WSRAward/2001Winners.htm.



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