

# **A Colleague's Perspective on Grantmaking Issues for Family Foundations**

*by Sally Bowles*

In 1992, six highly independent stepchildren and step-grandchildren of Emily Hall Tremaine came together to define and direct the family foundation she had endowed. Mrs. Tremaine had not prescribed the foundation's grantmaking focus or even its areas of activity.

The directors, who ranged in age from their late 30s to early 70s, had followed very different paths and developed very different perspectives on societal issues. Moreover, the concept of "one man, one vote" would require fairly radical changes on the parts of those who were accustomed to controlling or engineering decisions and those who were not.

The board met throughout 1992 to establish by-laws, investment policies and mission, benefiting greatly from experienced consultants and other foundations. I joined the Tremaines in 1993 when their work to identify the foundation's values and grantmaking framework began in earnest.

An expert briefing on learning disabilities early that spring proved to be the pivotal event in determining the board's ultimate role in grantmaking and the foundation's grantmaking identity. In the presence of outsiders, we were on our "best behavior." The directors' unique contributions to ensuing discussion provided us with our first real glimpse that the whole could be greater than the sum of its parts and that both the family and the foundation could be deeply enriched by harnessing rather than finessing the directors' diversity.

Hard work since then has paid off with an entirely new level of family interaction, a high level of board engagement and the creative collaboration among all directors in designing a grantmaking strategy. Getting there was not always tidy; we often backtracked. The process of learning to hear each other, listening to expert subject matter briefings, working to define our grantmaking style, and developing guidelines, proposal and grant management systems proved highly interactive and less sequential than we envisioned.

At the outset, identifying three areas of common interest—education, the environment and the arts—had been deceptively easy because each was broad enough to encompass widely divergent agendas. For some, education represented an opportunity to help the schools they had attended. Others envisioned strategies for broad school reform.

Perspectives on environmental issues ranged from those based in business sector experience to those of a community activist and an environmental scientist. Similarly diverse interests fell under the arts umbrella.

We found we had the choice of either fashioning a compromise which would offer something to everyone or embarking on a more difficult path. Three fundamental decisions, which we recommend for others' consideration, determined our course.

First, the board decided that individual charitable or philanthropic interests should be pursued through a program of limited discretionary grant allowances. This enabled basic foundation grantmaking to be focused on common themes and strategies, free from efforts by directors to persuade the board that a favorite square peg fit in the round hole.

Second, we decided to take a deep breath and work to identify areas of focus to which all directors would strongly relate personally as well as intellectually.

Third, we determined to develop grantmaking strategies which would be directly enriched by the varied experience, perspectives and abilities each of them brought to the table.

In the end, we focused our education resources on learning disabilities, a challenge with which generations of Tremaines have struggled. Our environment funds foster progress through consensus and collaboration across the sectoral lines reflected in the board itself. And our arts funding supports school and youth-at-risk initiatives which join our interests in the arts with concern about disengaged young people.

While refining our strategies in these areas, we concurrently worked hard to try to identify what besides money we offered the grantmaking process—including identifying those family characteristics, strengths and individual skills which would determine our style. Although periodic facilitation of our efforts proved invaluable, we found that the answers emerged as much from exploring concrete grantmaking options as from stand-alone sessions.

For example, an early grant discussion confirmed that we deeply value research but relate best to the relatively concrete and tangible. In other discussions, it became clear that our experience and skills are more applicable to overcoming practical obstacles to wide implementation than to the original design of model programs. We learned that the family's entrepreneurial history, combined with some chutzpah and innate adventurousness, would make us risk takers seeking broad impact from our limited funds. We also learned that our tendency toward impatience had its place in the grantmaking process, but required restraint to achieve long term results.

Experience among the directors themselves taught us to place a very high value on cooperative initiatives on the part of our grantees. Realizing that the truly difficult struggles rested with them, we became increasingly humble about how much they would teach us while discovering how much we enjoyed the learning process.

The result is a grantmaking strategy which the directors not only oversee, but on which they very actively collaborate with staff, experts, grantees and others. The directors all serve on the program committee, and it seems no one can wait for the grantmaking part of our board meeting agendas.

Our unusually heavy investment in knowing and connecting ourselves to the grantmaking process took a lot of time. It still does as our thinking continues to evolve. But we believe that our approach has made the foundation a true extension of the Tremaine family and has established a model for collaboration within generations to come.

We urge others to consider our experience along with the quite different and equally viable experience of other family foundations. The materials are specifically intended to assist family foundations seeking to establish or revisit grantmaking processes. In addition to summarizing essential information about legal and ethical questions, numerous colleagues offer experiences, practices and advice about how they resolved commonly-encountered issues with approaches appropriate to their own missions and styles.

You may also obtain sample grant application forms and cover sheets, grant acceptance letters and agreements, and related documents, as well as advice and feedback about relationships with grantees, and descriptions and insight from several diverse family foundations about the evolution and nature of their grantmaking visions, strategies and processes. *Information is also available on developing mission and guidelines statements.* (Please contact Family Foundation Services at (703) 879-0600 for more information.)

In defining our identity, the Tremaine Foundation has drawn heavily on these types of documents and experiences. In some areas (for instance, grant documents), we simply adapted existing experience to meet our own needs. In other areas (such as grantmaking vision and strategy), we found that the range of others' experience served to expand and help focus the board's processes and creative thinking.

*(Sally Bowles is president of the Emily Hall Tremaine Foundation, based in Meridian, Connecticut.)*