Principled Planning

A Guide for Family Foundation Retreats

Elaine Gast

COUNCIL on FOUNDATIONS

Vision

The Council's vision for the field is of

A vibrant, growing and responsible philanthropic sector that advances the common good.

We see ourselves as part of a broad philanthropic community that will contribute to this vision. We aim to be an important leader in reaching the vision.

Mission

The Council on Foundations provides the opportunity, leadership and tools needed by philanthropic organizations to expand, enhance and sustain their ability to advance the common good.

To carry out this mission, we will be a membership organization with effective and diverse leadership that helps the field be larger, more effective, more responsible and more cooperative.

By "*common good*," we mean the sum total of conditions that enable community members to thrive. These achievements have a shared nature that goes beyond individual benefits.

By "*philanthropic organizations*," we mean any vehicle that brings people together to enhance the effectiveness, impact and leverage of their philanthropy. This includes private and community foundations, corporate foundations and giving programs, operating foundations and public foundations, as well as emerging giving and grantmaking mechanisms involving collective participation.

Statement of Inclusiveness

The Council on Foundations was formed to promote responsible and effective philanthropy. The mission requires a commitment to inclusiveness as a fundamental operating principle and calls for an active and ongoing process that affirms human diversity in its many forms, encompassing but not limited to ethnicity, race, gender, sexual orientation, economic circumstance, disability and philosophy. We seek diversity in order to ensure that a range of perspectives, opinions and experiences are recognized and acted upon in achieving the Council's mission. The Council also asks members to make a similar commitment to inclusiveness in order to better enhance their abilities to contribute to the common good of our changing society.

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For additional resources, self-assessments, templates and an electronic version of this guide, visit cof.org.

Stewardship Principles for Family Foundations

Adopted by the Committee on Family Foundations, September 2004
For more information, visit http://bestpractices.cof.org/family.

GOVERNANCE

PRINCIPLE I:

WE HAVE A GOVERNING BOARD THAT ESTABLISHES THE MISSION, GUIDES THE OPERATIONS, OVERSEES THE EFFECTIVENESS, AND ENSURES THE ETHICAL CONDUCT OF THE FOUNDATION.

PRACTICE OPTIONS

A. Develop and periodically review the foundation's values and mission statement, strategies, program areas and guidelines, goals, annual and multiyear objectives and geographic focus.

B. Dedicate sufficient human, financial and technological resources to advance the mission.

C. Plan for leadership continuity.

D. Assess the relevance and effectiveness of the foundation's grantmaking, board governance, management and investments.

PRINCIPLE II:

AUTHORITY IS VESTED IN THE GOVERNING BOARD AS A WHOLE, AND EACH MEMBER IS EQUIPPED TO ADVANCE THE FOUNDATION'S MISSION.

PRACTICE OPTIONS

A. Identify the desired characteristics of the governing board, including size, composition and member skills and experience; consider diversity and the perspective offered by representatives from outside the family.

B. Develop bylaws that specify the term length of governing board members; the number of consecutive and/or total terms members may serve; minimum and maximum ages; roles, responsibilities and fiduciary duties; and selection and removal processes.

C. Conduct business regularly to ensure meaningful interaction, including at least one annual in-person meeting (governing board and staff if any).

D. Stay on mission; all grants are made within grantmaking guidelines. Exceptions are reviewed by the entire board and do not exceed a maximum dollar cap or percentage of total giving.

E. Provide comprehensive orientation and training for governing board members.

F. Provide continuing education on all aspects of foundation governance, including legal, fiduciary and grantmaking issues.

Principle III:

We consider multiple strategies to further our mission.

Practice Options

A. Learn best practice models and compare practices against others in the field.

B. Consider a range of financial support options that could include general operating, project, capital, research, scholarship, endowment, multiyear and challenge grants, and funds to respond to emergency or other unanticipated need.

C. Use program and grant evaluation to improve outcomes.

D. Share successes, failures and lessons learned from grant and program evaluations internally and externally, as appropriate.

E. Collaborate with others who fund similar work.

F. Ensure that staff (if any) is well-qualified and receives on-going professional development.

G. Promote foundation board and staff personal giving and volunteerism (bearing in mind potential conflicts of interest).

H. Provide technical assistance to grantees and other nonprofits.

I. Invest in ways that further the mission (e.g., program-related investments, micro-credit loans, socially responsible investing, proxy voting/shareholder resolutions).

J. Convene community leaders, nonprofits and/or other funders doing similar work.

K. Engage in public policy advocacy as permitted by law.

Principle IV:

Our governing board exercises active fiscal oversight.

Practice Options

A. Know and ensure compliance with fiduciary duties.

B. Ensure that expenses are reasonable and in proportion to amounts spent on grants and technical assistance.

C. Expect board members to serve the foundation without compensation, recognizing:

1. that reimbursement of reasonable expenses directly related to board service does not constitute compensation.

    2. that board members who perform staff functions may be compensated as staff. Like all staff, these individuals should be reasonably compensated, document time spent, and have a job description, performance objectives and evaluations.

D. Confirm that proper due diligence is performed to ensure grantees' fiscal and organizational viability and that grants are used for charitable purposes.

E. Ensure that the foundation has a written investment policy adequate for its size and complexity that includes investment objectives, asset allocation strategy, spending and/or payout policy, rationale for selecting and evaluating investment managers/advisors.

F. Establish effective internal controls, systems of checks and balances, and formalized recordkeeping.

G. Approve an annual budget and assess the foundation's financial performance relative to the approved budget.

H. Conduct an internal review of foundation compliance with legal, regulatory and financial reporting requirements and provide a summary of the review to board members.

I. Obtain an external review of the organization's finances (in accordance with asset size) by conducting a financial review, periodic audit or annual audit (for larger foundations).

J. Establish an audit committee to oversee accounting, financial reporting, compensation practices and the external audit of the foundation.

ETHICS & ACCOUNTABILITY

PRINCIPLE V:

WE RECOGNIZE AND ACT UPON OUR OBLIGATIONS TO MULTIPLE STAKEHOLDERS: THE DONOR AND THE DONOR'S FAMILY, GRANTEES AND GRANTSEEKERS, THE PUBLIC AND GOVERNMENTAL BODIES.

PRACTICE OPTIONS

A. Keep abreast of the self-dealing laws; avoid self-dealing and even the appearance of self-dealing.

B. Educate the governing board and staff (if any) as to what constitutes conflict of interest:
    1. Document the affiliations or involvement of board members, grantmaking staff and their families with potential grantees, even if the affiliation creates no financial conflict of interest.
    2. Establish and sign annually a written conflict of interest policy that identifies types of conduct or transactions that raise concerns and describes how conflicts or perceived conflicts of interest are resolved.

C. Incorporate diverse people, perspectives, knowledge and experience into the work:
    1. Access pertinent data, e.g., census, regional indicators, studies.
    2. Include subject matter experts or community representatives as speakers at board meetings, on committees or on advisory groups.
    3. Appoint board members and employ staff who demonstrate the capacity to understand issues and communicate skillfully across cultural, class and other boundaries.
    4. Encourage board and staff to be actively involved in the community (bearing in mind potential conflicts of interest) and to bring new or underrepresented perspectives back to the foundation.

5. Establish governance policies and operational and grantmaking practices.
6. Develop training resources that promote inclusion and reduce discrimination.

D. Identify and practice the elements of ethical conduct.

E. Develop a policy to handle good-faith complaints about violations of foundation policy or the conduct of foundation board and staff.

Principle VI:
We respect our nonprofit partners' missions and expertise and strive for relationships based on candor, understanding and fairness.

Practice Options

A. Develop transparent grants management processes:
   1. Create clear and complete guidelines and application procedures (if unsolicited applications are accepted); consider accepting common grant applications.
   2. Request only information (pre- and post-grant) that will actually be used in decisionmaking and corresponds appropriately to the size or purpose of the grant.
   3. Specify the steps and timing of the review process.
   4. Acknowledge grantseeker inquiries and submissions promptly.
   5. Use grant agreement letters to outline mutual expectations.
   6. Explain rationale for declined grants and give constructive feedback when appropriate.

B. Conduct site visits when appropriate, guided by the size and purpose of the grant and the impact on the grantee.

C. Acknowledge and minimize the effects of the imbalance of power in grantee/grantor relationships.

D. Seek feedback (including anonymous) on foundation performance from current and former grantees and denied applicants.

E. Respond to and act promptly on complaints.

Principle VII:
We welcome public interest and communicate openly.

Practice Options

A. Make public (online and/or in print) the foundation's board of directors, mission, guidelines, grant process (including whether unsolicited proposals are accepted), finances, procedures, timetable, grantee list with amounts and purpose, etc.

B. Identify and make public a point of contact for the foundation.

C. Respond to requests for information promptly and no later than 30 days.

D. Prepare and distribute (online or in print) an annual report (or letter for small foundations).

E. Train board and staff to respond to the media, legislators and other audiences.

F. Develop a proactive strategy for reaching out to the media, legislators and other audiences.

FAMILY LEGACY

Principle VIII:

Our governing board respects donor intent and later generations' interests while also considering the demands of a changing world.

Practice Options

Honoring Intent

A. Encourage living donors to document their intentions, while taking into account the flexibility succeeding generations may need in governing the foundation.

B. Preserve the foundation's evolution by compiling board dockets and grants made.

C. Invite senior family members to speak to the board.

D. Collect personal recollections of the foundation through interviews with donor(s) and/or senior board members (audio, video and/or written).

E. Conduct activities that provide subsequent generations the opportunity to connect with the family/foundation history.

F. Review founding documents and donor intent or preferences periodically to assess their continued efficacy.

Recognizing Later Generations' Interests

G. Encourage board members with interests outside the program or geographic guidelines to support them through personal giving.

H. If not counter-indicated in the establishing documents (e.g., trusts), consider explicitly adding the flexibility to adapt focus areas.

I. If competing interests hinder the foundation's mission or the family's ties, consider engaging a skilled facilitator to find common ground.

Principle IX:

We plan for family leadership continuity.

Practice Options

A. Develop and implement a succession plan (with input from the family's teens and young adults) to identify, educate and prepare the next generation of family members for future board service.

B. Inform the broader family of the foundation's work.

C. Provide avenues for younger family members to learn about and participate in the work of the foundation (or other foundations and/or the nonprofit sector) prior to serving on the board.

D. Revisit periodically the intended life span of the foundation (perpetual or time-limited).

E. Employ alternative governance structures or giving vehicles when family leadership is no longer viable or no longer desired.

Chapter 1
Why a Stewardship Principles Retreat?

"The Stewardship Principles are excellent—but you have to do more than just read them."

—Anna Kay Frueauff, Trustee, Charles A. Frueauff Foundation

The Stewardship Principles are designed to help you govern, manage and lead your family foundation. They come to you as the result of more than a year's worth of work, with input from hundreds of family foundation executives and trustees as well as other experts including academics, attorneys and even an ethicist.

Stewardship Principles sound like a list of lofty ideals—something to strive for, but not easy to achieve. Don't let the title intimidate you. Chances are you are already doing much of the work. The principles simply give you a way to celebrate what you're doing well and envision what you can do better.

Still, the principles cover such a wide range of topics and practice options that they can seem overwhelming at first. If you're like many organizations, you might look at them and think, "Where do I begin? Sure, they look great on paper, but how do I present them to my board? How do I get them to even *review* the principles, much less put them into action?" Good questions. You're not alone. Many of your colleagues are asking the same things.

To start, it will help you to share a few key points with your board. Consider this:

- The principles were developed by your peers. They are your colleagues' best ideas on the most useful and effective practices in the field today.
- The principles suit many different family foundations—new or experienced, small or large, staffed or unstaffed.
- The practice options are just that—options. They aren't meant to be prescriptive or place your board in a box. A practice option that may not be right for you now, may be just what you need in the future.
- The best way to approach the principles is to start small. Don't take on all of them at once. Ask the board to prioritize and focus on one or two at a time.

Are you breathing any easier yet? It gets better. This book offers you a multitude of ideas for how you can bring the Stewardship Principles to your board. It walks you through the process of designing and conducting a different kind of meeting, a meeting during which you'll begin an in-depth exploration of one—or more—governance, management or grantmaking practices. We'll call this type of meeting a retreat.

In This Chapter

- Learn how the Stewardship Principles are an entrée to a different kind of governing body discussion.
- Read how your colleagues are using retreats to discuss the Stewardship Principles.
- Identify a principle or practice option you can start working on today.

Retreats are nothing new or extraordinary; in fact, your governing body may have held them many times before. What's different about this kind of retreat is that you use the Stewardship Principles to frame your discussion.

Why a Retreat?

A retreat is certainly not the only way to introduce the principles to your board, but it is arguably the best. Here's why.

Retreats help your board go beyond business as usual. They give your board the opportunity to develop thoughtful policy and measure your work against best practices in the field. They build ownership of the foundation and can generate a higher level of involvement going forward. As an added bonus, they often improve communication and create a stronger sense of teamwork among board members.

Retreats help board members get out of their regular meeting mindset and approach their work in a different way. The meetings aren't limited by formalities or governed by Robert's Rules of Order; in fact, they are often casual events that encourage people to loosen up. The relaxed atmosphere can inspire creative thinking and candid discussion on important issues.

Whereas a typical business meeting is driven by decisionmaking and timelines, a retreat gives your board a forum to explore potential changes or address underlying concerns. At a retreat, you have the time and focus to delve deeper into issues such as governing structure and effectiveness, mission review, leadership continuity and program evaluation—the very issues the Stewardship Principles themselves address.

Retreats can last anywhere from a few hours to an entire weekend and, in fact, don't have to be called a "retreat" at all. The length or location doesn't matter—the discussion does.

A Tool for Principled Planning

Every family foundation struggles with different things at different times. The principles speak to every organization, giving you a tool to assess where you are and where you'd like to be. Let's look at an example of how it might work.

Say your board wants to formulate or review its mission statement to make sure it is relevant to the foundation and the community you serve. If you consult the Stewardship Principles, you'll find that Principle I.A. calls for your governing body to develop and periodically review the foundation's values and mission statement, strategies, program areas and guidelines, goals, annual and multiyear objectives and geographic focus. A retreat is the right setting to do this.

Principle I.A.

Develop and periodically review the foundation's values and mission statement, strategies, program areas and guidelines, annual and multiyear objectives and geographic focus.

For example, you might plan a facilitated retreat to discuss the board's ideologies and interests related to the current mission and/or perform an assessment of community needs. You might also seek advice or assistance from grantmaking professionals at your colleague organizations who have been through a mission-review process themselves.

As part of the planning for the retreat, you will want to share Principle I.A. with the board. Suddenly the retreat will take on a new level of credibility, as the board realizes they are doing something that reflects best practice in the field.

In planning for the retreat, you will want to involve your board members as early as possible. For example, if you share the Stewardship Principles with the board before the retreat, the meeting will take on a new level of credibility as the governing body realizes it is doing something that reflects best practice in the field. Then ask them, for instance, to focus on Principle I.A. Request that they review that principle and its practice options and comment on them. Or you might develop a specific survey related to the retreat agenda and ask them to respond.

For example, for Principle I.A. you might ask the board to prepare verbal or written responses to the following:

- Is our mission statement relevant and effective for our foundation's strategic goals? Is it grounded in our values?
- Does the statement communicate who we are and what we do?
- How are we "making a difference?"
- What flexibility do we have to alter the mission?
- How could we change the mission to better reflect the needs of the community? To better meet the needs of the foundation?

As board members respond, you can use their answers to craft a discussion outline for the retreat. As they see the correlation between their work and the Stewardship Principles, the retreat will take on a new level of importance.

Principle I.A. is just one example of a principle that lends itself to a retreat discussion. Most all of them do. Consider other reasons why foundations and giving programs might hold a retreat, such as to:

- Define (or refine) board and staff roles and responsibilities (Principle II.B.).
- Consider multiple strategies to advance the mission (e.g., in grantmaking, investments, technical assistance) (Principle III.B.).
- Identify strategic issues and jump-start a strategic planning process (Principle I.A.).
- Measure progress against best practices in the field (Principle III.A.).
- Explore or modify policies and governance structure (Principle II.A.).
- Address critical changes, such as succession or leadership continuity (Principle I.C.).
- Orient new board members (Principle II.E.).
- Assess effectiveness as a board (Principle I.D.).
- Seek feedback on the foundation's performance from grantees (Principle VI.D.).
- Develop a plan for reaching out to the media and legislators (Principle VII.F.).

Nearly every topic you might discuss at a retreat already has a principle or practice option that corresponds to it. The principles are a perfect framework for your planning.

Peer Practice:

Using the Stewardship Principles

"The Stewardship Principles are a way to let nonprofits know that we're part of something bigger, rather than just out here operating on our own—that there is some ethical framework to what we do. It helps the board consider all the questions we need to. Instead of coming from me, it comes from the field—letting us look at it together rather than being a tug of war between the staff and the board."

—Richard (Skip) Moore, President, Weaver Foundation

Here are some examples from your colleagues who used a retreat to introduce the principles:

To examine values

"We devoted a special meeting to discussing the first of the Stewardship Principles on governance. We wanted to know: Are our values in line with what we were funding?" said Lindsey Stammerjohn, managing director of the John Gogian Family Foundation. "It was a great meeting. We came up with 15 action items—among them we hired legal counsel, updated our website, rewrote several policies and changed our site visit procedures. We discussed how we could make things more clear and transparent. It was an all-day process and we needed a retreat in order to focus."

To get buy-in from the board

"We wanted to engage the board in setting the strategic direction of our programs as opposed to being entirely staff-driven," said Chris Park, president of Lucent Technologies Foundation. "We incorporated some of the principles into our conversations on board roles and responsibilities and were able to show them some of the best practices in the nonprofit world. The principles offer options, which the board can use to make the decisions. It puts trustees into more of an ownership role."

To gauge what you have done

"We used the Stewardship Principles to organize topics at a retreat and prioritize what was important to us," said Kathleen Odne, executive director of the Dean and Margaret Lesher Foundation. "The practice options serve as good discussion entry points—where we could see what we were already doing and how we might apply the suggested practices to some of our initiatives. It was powerful for our trustees to learn what their peers were doing. After all, the principles were written by their peers—they aren't an edict."

About This Book

In sum, the principles give your board a "big picture" approach to its work to bring about better governance, management and grantmaking. By setting aside time for a retreat, you can lift the Stewardship Principles from the page—and into practice.

The guide gives you, the family foundation staff or board member, practical advice and tips on planning a retreat that focuses on the Stewardship Principles. Because the information speaks to different levels of experience, it uses basic language that all readers will find understandable and relevant. It includes examples and anecdotes from all types of grantmaking organizations—not just your own.

In the end, how you use this book depends on your foundation's priorities, its composition and culture, and the type of retreat or meeting that will work best for you. Although you may not be ready to plan a retreat using the principles and practice options *now*—this book will prepare you for when you are.

"I hear it's going to be a very serious retreat. No email."

Chapter 2
Getting the Board on Board

> *"You need a clear agenda that shows the board you value their participation—one that includes them in the discussion."*
>
> *—Kerry Mellette, President & CEO, Williamsburg Community Health Association*

In This Chapter

- Discuss who's in charge of the retreat.
- Identify what you want to accomplish.
- Learn how to involve and motivate board members in planning for the retreat.

Whose Idea Is This, Anyway?

Once you figure out the *why* of holding a Stewardship Principles retreat, you next should figure out the *who*. Whose idea is it to have a retreat? And who will do the work?

The idea for the retreat can come from anyone, but the *support* for the retreat needs to come from the top. If the leadership of the foundation is committed to the retreat, it will set a tone for the rest of the participants. If the board chair is not "on board" with the purpose or agenda, the retreat may not have the same level of credibility or focus and may feel like a waste of everyone's time. Be sure to involve the board chair as early as possible in the process.

If you've never held a retreat before, here's how it typically works: The board chair and/or the executive director usually lead the effort. Together they make sure that all of the responsibilities are covered and decide whether the foundation will hire an outside facilitator. They also decide who will be the meeting organizer (the person who will coordinate the retreat logistics) if the foundation does not have staff.

In some foundations, someone other than the chair or executive director is charged with organizing the retreat. If this is the case, it helps for that person to work with the foundation's leaders to decide the meeting outcomes and agenda. This helps keep everyone in the know and ensures the board chair's buy-in on what happens at the event.

The chair, executive director and/or the meeting organizer may involve other people in planning the retreat. Some boards even form a small planning committee to divide the responsibility. This could be the current board/staff members or outside experts who will address certain programmatic, management or governance issues.

Planning Retreats—Who's Who?

Sometimes many people are involved in planning retreats. Other times, one person fills more than one role.

Convener—The person who is calling the meeting or retreat. This will likely be the board president or governing chair and/or the CEO or executive director.

Organizer—Usually a key staff or board member, the meeting organizer takes care of all the details for setting up the retreat. This person coordinates the logistics of the meeting and works with the facilitator to create an agenda.

Facilitator—The person who creates the agenda, guides the process and helps the group draw conclusions and determine action items. The facilitator can either be a hired consultant, an unpaid volunteer or a staff member. Facilitators may guide the discussion, but because their role is to help others clarify their thoughts and direction, they shouldn't themselves contribute to the meeting content.

Scribe/Recorder—The person who takes notes, either on flip charts or in a notebook. Sometimes the facilitator fills this role, although it's better to assign the task to someone else who can concentrate on recording good notes. Sometimes this person is also responsible for transcribing the notes and distributing a recap of the retreat.

Guest speaker—Some groups—but not all—invite outside guest speakers to attend part of their meetings or retreats. For example, you might ask a program expert who can offer advice on one of your funding areas or a community member who works in the field. Or you might consider asking a foundation colleague or an expert on governing boards to share knowledge in a certain area.

Last Things First: What Do You Want to Accomplish?

Planning is the key to any retreat. You can't design a process if you don't know what you want out of it. Long before you plan the date of the meeting, you should first think about *why* you want to hold a retreat in the first place.

The answer is not always obvious. Ask yourself and your colleagues: What do we want to be different? How can we use a retreat or meeting to move toward our goals? Who's in favor of having a retreat? Who's opposed? You must be clear on the purpose of the meeting to determine that a meeting is, in fact, the best way to accomplish your goals.

Take the time to sit down and clarify two or three outcomes you would like to see emerge from the meeting or retreat. Keep in mind too that there are often secondary outcomes or benefits—beyond the formal goals and agenda—that can result from board retreats. For example, your group may come away with stronger personal relations among peers; better relations between board and staff; more identification with the organization's history, mission, values; a more thoughtful and responsive culture within the organization; and so forth.

Many organizations plan retreats with both the stated outcomes and these secondary and often more subjective outcomes in mind. Only when you have identified the outcomes can you start making the case for holding the retreat and planning the agenda.

When envisioning your desired outcomes, consider what stage of development your foundation is in. If your foundation is new or if the governance has recently changed, you will expect different results than those from a foundation that is well-established and stable. For example, new boards may need to spend a good chunk of time discussing their mission and purpose. In contrast, a board that has "been around the block" might spend more time refining its grant-making program or evaluating its practices relative to the Stewardship Principles.

As you plan, be reasonable in what you want to accomplish. For example, don't expect to resolve long-held conflicts or solve world hunger in one day. Retreats are the beginning of a process—a means to an end rather than an end itself.

Be sure that the board agrees on the initial purpose or goals for the retreat. The program should be designed to keep the group's interest and focus for an extended period of time. The good news is many tools and techniques out there can help (See chapter 5).

Involving the Board

As the meeting convener or organizer, you could easily plan the retreat on your own. You can decide which principle to focus on at the retreat, whether or not to hire an outside facilitator, where and when the event will be and so on. This approach may save you time, but if your board colleagues don't feel ownership over the event, your work may be in vain.

By involving board members, you give them the opportunity to shape an event that affects them. You're already asking for their participation in the meeting. Why not give them a chance to participate in the planning too? This will not only encourage them to show up on the day of the retreat, but also help them build trust in the process. They also are likely to have some good ideas that you didn't think of.

According to Rayna Aylward, executive director of Mitsubishi Electric America Foundation, "We always test-drive what we plan to do at a meeting before the meeting begins. For example, we plan to send the Stewardship Principles to our board six weeks before the board meeting in which they will be discussed. Staff will talk to key board members about the strategy and agenda and ask for their preliminary feedback. This not only helps shape a workable agenda, but it also helps us build allies in advance."

Why *Not* to Plan a Retreat

Just as there are good reasons to hold a retreat, there are bad ones too. Don't hold a retreat if you or your foundation's leadership:

- Merely want to keep up the tradition of holding an annual retreat.
- Aren't working on any real outcomes.
- Have a covert agenda.
- Want a platform to control the coversation.
- Don't intend to act on what participants decide.

Meeting Planning Checklist

Ready to start planning? Use this checklist as you design the retreat:

- What is the purpose of the meeting? What are the desired outcomes?
- Is the meeting the best way to achieve the desired outcomes?
- Who will attend the meeting?
- Is the purpose clear to everyone who will attend?
- What is the "real" problem or situation?
- Who are the stakeholders?
- What aspects of the work might present difficulties?
- Who will be responsible for planning the meeting logistics?
- Who will be the recorder?
- Who will be responsible for getting out the meeting summary and follow-up plan?
- Who will follow up to ensure the action steps are carried out?

Exerpt from Great Meetings!: How to Facilitate Like a Pro, *Hansen Press, 1997.*

One of the most important things you can do is assign trustees (or remind them of) their role. Explain the purpose of the meeting, what tasks they have been (or will be) asked to complete and the reasons their participation is important. In other words, give them all the tools they need to prepare for the retreat and to contribute in a meaningful way.

There are many other ways you can involve your board members early on. Whatever approach you use, it's important to keep everyone in the loop as decisions are made.

Survey members

Before deciding to have a retreat, ask members via a written or online survey to identify important issues worth discussing at the retreat. For example, some foundations have used the Stewardship Principles as a basis for their surveys, asking board members to prioritize the issues that the principles present. They then use the survey results to form an agenda for the retreat.

Tip: You can find relatively inexpensive online survey tools that calculate results for you.

"Can anyone remember what our core business is?"

Form a planning committee

As mentioned in a previous section, you might also form a planning committee of two or three people who handle every aspect of planning the retreat. This helps ensure that the ideas for the retreat or meeting come from more than one person and that there is group ownership. By assigning tasks, such as setting up the room, keeping the time and recording the notes, you can make the meeting belong to everyone.

Take an informal poll

You might devote some time at board meetings preceding the retreat asking board members to identify important topics they feel are important for the foundation. With that information you can develop the purpose for the retreat, put it in writing and send it out to participants. Ask them for their input or any changes to the outcomes they would like to see.

Introduce the facilitator

If the retreat will be designed and led by an outside facilitator, send a memo to participants describing the purpose of the retreat and include the facilitator's bio. It should explain the facilitator's role and any pre-work (interviews, surveys, focus groups) that he or she will ask of members.

Interview board members

Interviewing is usually best when conducted by an outside facilitator. That way, participants can speak freely and confidentially. However, if you (or someone else inside the foundation) will be conducting the interviews, there are ways to keep the conversation less biased. For example, always use questions that are neutral and open-ended. Ask for suggestions, concerns or areas that the foundation can improve—repeatedly giving participants the opportunity to raise issues before the retreat. You might ask: What do you want to see happen at the retreat? What are your fears or concerns? What outcomes would you like to avoid?

Don't respond to criticisms or concerns during the interviews—wait until the retreat itself. Let them know that their responses will be compiled confidentially in a final summary of issues to be addressed.

Assign pre-work

You might give the board reading or "thinking assignments" to complete before the retreat. If you are holding a self-assessment retreat, send members the Stewardship Principles far in advance, giving them time to get familiar with them and ask questions. Be sure to distribute any pre-work assignments in plenty of time for people to do the work.

Distribute a meeting book

If the board will discuss technical or detailed information during the retreat, it can be helpful to distribute a briefing book—much like you would before a regular board meeting. You might even ask board members to submit material for the briefing book, which will help them to feel invested in the success of the meeting. In general, a meeting book includes the purpose of the retreat (the why), an agenda (the how), the logistics for the meeting or retreat (where, when and what time), background materials and any pre-retreat assignments (e.g., reading, surveys, questionnaires) with deadlines noted.

Describe what's in it for them

In a cover memo, explain to them the purpose of the retreat and what their role will be during the event. As applicable, you might point out to them the reasons why the retreat will benefit them and the foundation overall. For example, you might remind them that retreats:

- Strengthen what it is they do—good governance and grantmaking.
- Let them connect on a more personal level, forming a more cohesive group.
- Celebrate past accomplishments.
- Evaluate present effectiveness.
- Help plan ahead for the future.
- Improve communication, both internal and external.
- Clarify the mission, vision and/or grantmaking program.

Begin and/or end on a social note

Some foundations like to begin or end their retreats with a social dinner or reception. This helps people loosen up before a retreat and unwind after the retreat is over. It sends a message to board members that you appreciate them taking the time to participate.

Peer Practice:

Motivating Members

How do your colleagues motivate their members for a retreat?

"I drafted a written survey using the governance section of the Stewardship Principles and sent it to our board. In the survey, board members were asked to assign a number to how well the board addressed each of the principles. I tallied the results and sorted them in terms of what got the highest and lowest ratings. That gave us a handful of things to address at the retreat—some substance that we could work on and change."

—Anna Kay Frueauff, Trustee, Charles A. Frueauff Foundation

"Based on the theme or issue that needs to be addressed at the retreat, the staff finds current literature on the issue. We send a packet with these reading materials along with an outline of the retreat. This gives people time and the opportunity to think about it in advance."

—Bill Conrad, Executive Director, Stackpole-Hall Foundation

"We distributed a questionnaire a couple of months in advance of the retreat. The facilitator then followed up with phone conversations with individual trustees prior to the retreat, which motivated people because they had opportunities to express their opinions."

—Laura Gilbertson, Director, The William Bingham Foundation

Peer Practice:

Comparing Practices—Principle III.A.

The Tauck Foundation planned its retreat around a best practices survey sent to the board. Using an online survey tool, Managing Director Liz Tauck Walters asked the board to rate themselves against the Stewardship Principles for Family Foundations. Board members were asked to measure their success and the relative importance of addressing each principle at the retreat. The survey also included an open space for comments. According to Walters, the survey offered members time to reflect on the principles and create a written record. "The survey revealed gaps of knowledge and areas of confusion. It also highlighted strengths and successes—which, at the retreat, was good for everyone's morale."

Samples

Stewardship Principles Survey Memo 1

Courtesy of the Tauck Foundation

Dear Board Members,

I have spoken with most of you by now to get your thoughts and suggestions regarding the ongoing work of the foundation. The following survey (at www.surveymonkey.com) is intended to broaden and deepen that feedback by asking you to rate the Tauck Foundation's work relative to a set of national "best practices" for family foundations. This will help us to identify issues to be addressed when we meet in May and it will familiarize you with the latest thinking in the field.

This survey utilizes the Stewardship Principles for Family Foundations, adopted by the Council on Foundations in September 2004. The Council on Foundations believes families strive to be responsible stewards of their foundation resources, to uphold the public trust and to practice their philanthropy in ways that reflect fundamental values, including honesty, integrity, fairness and trust.

The Stewardship Principles describe how family foundations can reflect these values in their board governance, management and grantmaking. Foundations can use the principles to discuss issues before they arise, enabling them to proactively develop thoughtful policy and practice that improves over time. Each of the nine principles has related practice options that provide examples of best practices in implementing the principle.

For each principle, you will be asked to rate the Tauck Foundation's current success in employing that principle and its practice options. You will also be asked to rate the importance of addressing each principle at the current time. Because each principle is quite broad and encompasses a range of issues and activities, there is also space for you to comment on specific aspects of a principle and how they relate to the Tauck Foundation.

Thank you for your input.

Liz Tauck Walters
Managing Director
Tauck Foundation

Stewardship Principles Survey Memo 2

Courtesy of the Charles A. Frueauff Foundation

To: CAFF Trustees

From: Anna Kay F. Williams

Date:

Re: Council on Foundations Stewardship Principles

As you all know, Congress is in the active process of taking measures to increase oversight in the nonprofit sector. The Council on Foundations and its membership have been very proactive in this cause.

The Stewardship Principles have arisen for family foundations as a direct result of this.

There are nine principles that fall under three broad areas:

- Governance
- Ethics and Accountability
- Family Legacy

Within each principle several practice options are listed alphabetically. These practice options are offered simply as options to help strengthen performance. The principles and their associated practice options serve as a framework for family foundations and staff. A foundation's asset size, age, staffed/unstaffed, board composition, and governing documents all help determine which practice options are relevant and those that may not apply.

CAFF now has the opportunity to also put forth our best effort and to recognize and acknowledge what we do well while also evaluating and assessing areas that need attention and improvement.

Attached please find the Stewardship Principles document along with a simple but hopefully very useful survey. Please complete and fax the survey to the office prior to our next meeting. The survey only represents the Governance section, the first four principles along with the each principle's practice options. (We will tackle the two remaining sections, Ethics and Accountability and Family Legacy, at later times.)

Please fax your survey to the office no later than ____. Once I have received everyone's survey, I will tally and combined the results to be shared and discussed at the next board meeting. Anonymity will be maintained throughout and the results prepared for the board discussion. *Please bring your copy of the Stewardship Principles and your survey to the meeting*. Holes have been punched in the document to fit in your meeting folder.

Stewardship Principles Survey

Courtesy of the Charles A. Frueauff Foundation

*** *Grading Scale: 1-5 (5 being excellent/most important)*

GOVERNANCE

I. We have a governing board that establishes the mission, guides the operations, oversees the effectiveness and ensures the ethnical conduct of the foundation.

Practice Options:

A. Develop and periodically review the foundation's values and mission statement, strategies, program areas and guidelines, goals, annual and multiyear objectives and geographic focus.

CAFF score: ____________ Importance score: ____________

B. Dedicate sufficient human, financial and technological resources to advance the mission.

CAFF score: ____________ Importance score: ____________

C. Plan for leadership continuity.

CAFF score: ____________ Importance score: ____________

D. Assess the relevance and effectiveness of the foundation's grantmaking, board governance, management and investments.

CAFF score: ____________ Importance score: ____________

Notes or comments: ____

____

____

____

II. Authority is vested in the governing board as a whole, and each member is equipped to advance the foundation's mission.

Practice Options:

[Note: Survey continues with each principle and practice option.]

Meeting Agenda Template

Adapted from Retreats That Work: Designing and Conducting Effective Offsites for Groups and Organizations, *Jossey-Bass/Pfeiffer, 2003.*

[Name of Foundation]
[Date] [Time] [Place]
[Mission Statement]

Intended Outcomes for This Retreat/Meeting:

By the end of this meeting, we will accomplish the following:

-
-
-

Task	Leader	Time (min)
Connect		
Breakfast		
Check-in, introductions, announcements		
Convene		
Welcoming speech		
Purpose of meeting		
Icebreaker		
Content		
■		
■		
Break		
Continue		
■		
■		
Conclude		
Reflection		
Next steps		

Board Member Assessment Questions

Excerpted from Principled Giving: An Introduction to Family Foundation Stewardship

Questions to Ask	Yes	Needs Improvement	Importance (1 lowest, 5 highest)
Am I an active, knowledgeable trustee?			
Do I understand my foundation's mission, programs and strategic plan?			
Am I, and is the foundation, devoting enough time and resources to help the foundation achieve its mission?			
Does the board think through decisions jointly, or does one person lead and the rest follow?			
Do my fellow board members and I have the necessary skills to meet our organizations' mission?			
Do I stay current with best practices?			
Do my fellow board members and I understand our fiduciary responsibility to the foundation?			
How well does our foundation prepare new board members to serve?			
Does my foundation set term limits and other guidelines to define appropriate parameters for board service?			
Are we making too many grants outside of our mission?			
What tools and resources beyond grants could we use?			
What opportunities exist to align and ally with similar organizations?			
What are my fiduciary responsibilities as required by federal and statel law?			

Board Member Assessment Questions (continued)

Questions to Ask	Yes	Needs Improvement	Importance (1 lowest, 5 highest)
Does my foundation comply with all IRS regulations?			
Do my fellow board members and I understand and comply with the self-dealing laws?			
How does my foundation identify and deal with possible conflicts of interest?			
What do grantees and other nonprofits think about our foundation's grants management process?			
Would I be able to fill out my foundation's grant application quickly and easily?			
How quickly do we respond to grantseeker inquiries and submissions?			
Do we make the organizations' mission and who, what and how we fund easily and publicly available?			
How prepared are we to respond to inquiries from the media, grantseekers, public officials and other audiences?			
How do we interpret donor intent in light of current needs of our family, community or grantees?			
Do we have a succession plan that serves the foundation's current leadership while also engaging younger family members?			
What do we do to teach young family members about the foundation and philanthropy in general?			

Chapter 3
Finding a Facilitator—or Not

"Why use a facilitator? It levels the playing field. People who lead get to participate, and people at odds with the leader don't feel bullied into the agenda or outcome."

—Brent Toleman, Strategies Inc., Facilitator

What Facilitators Add

Your board may be perfectly adept and skilled at running its own retreats and meetings. For this reason, you may not consider using an outside facilitator. Yet many of your foundation colleagues recommend that you do. Here's why:

Facilitators:

- **Are skilled at guiding groups.** An outside facilitator has expertise guiding group processes. Unless the chair or one of the members has skills in guiding unstructured group discussion, you should consider engaging the help of an expert.
- **Are objective.** An outside facilitator represents a neutral party, which can help the group reach consensus despite different opinions and agendas.
- **Level the playing field.** Facilitators mitigate the influence of dominant people, helping everyone's voice to be heard.
- **Allow for equal participation of members.** With a hired facilitator, the entire board (and staff) can participate fully as members of the group, rather than having to withdraw from discussion to facilitate in a neutral manner.
- **Diffuse conflict.** Sometimes having an outside presence promotes better behavior among a long-established group. Of course, as in any group situation, the possibility for disagreement and conflict is always there. When conflict does erupt, facilitators can be bolder than peers might be. They can name any unproductive behavior as they see it and help move the group toward a constructive conversation.

In This Chapter

- Learn how to find, select and work with a retreat facilitator.
- Plan for how much a facilitator will cost.
- Find tips for planning a retreat on your own—without an outside facilitator.

Many believe that board members shouldn't try to facilitate their own meetings or retreats. Others believe it depends on the foundation's stage and comfort level. "For a young foundation, it is helpful to have an outside facilitator," said Rayna Aylward, executive director of the Mitsubishi Electric America Foundation. "It allows everyone in the foundation to participate and adds credibility when it comes to results." A veteran foundation, she said, might be more comfortable keeping the conversations in-house.

If you do hire a facilitator, consider using a philanthropy consultant or a colleague who is skilled in facilitation. In the end, it doesn't matter who the facilitator is, but that he or she is respected by and maintains good chemistry with the group and holds no stake in the outcome.

When people ask philanthropy consultant Anne Hodges Morgan why they need a facilitator, she tells them: "You'll have greater input if you're a participant—not the facilitator. Plus at the end of the day, you'll have a clear idea of what you want to do."

Morgan recommended that foundations look for a facilitator experienced in their kind of work. "Foundations need a facilitator who knows the business of foundations. It's one thing to run a meeting and another thing to run a foundation retreat."

Facilitators help members communicate with each other to get the work done. According to philanthropy consultant Linda Fisher, "They act as the catalyst, creating a logical structure for the meeting. When you engage the help of a facilitator, it shows members that the leadership is taking the meeting seriously."

Foundation members who have held retreats said they appreciate having an unbiased person at the table (or around the living room floor, depending on where they hold the retreat.). "A facilitator must be willing to name the elephant under the rug—any habits, patterns, things that, for whatever reason, are not discussable," said philanthropy consultant Denise Cavanaugh.

Facilitators bring an objective point of view to the group, which can help make sure everyone is heard. They keep the conversation on track, prompt non-participators to speak up and, if necessary, diffuse any conflict or unproductive behavior.

Where to Look

If you do decide to go with a facilitator, first you'll need to find one. The best way to locate a good facilitator is through word of mouth. Ask your foundation colleagues who they use or check these sources:

- Council on Foundations (family@cof.org).
- Regional Associations of Grantmakers (www.givingforum.org).
- Local community foundations (www.cflocate.org).
- Journals and trade magazines such as *Foundation News & Commentary* (www.foundationnews.org).
- Charity Channel—provides a paid, online registry system that helps nonprofits locate consultants (www.charitychannel.org).
- Alliance for Nonprofit Management—provides a free online search service of nonprofit consultants and more (www.allianceonline.org).

Selecting a Facilitator

Selecting a facilitator requires four steps: identifying what you want in a facilitator, soliciting proposals, interviewing candidates and, last but not least, checking references.

Start by deciding what you need, then find out who in the field can best help you meet that need.

Often, the key is finding someone who complements your board's culture and working style. "You have to find one that works well with your dynamic," said Kathleen Odne, executive director of the Dean & Margaret Lesher Foundation. Most of the time, it means talking to the facilitator, being clear about what you want and learning more about their experience and how they would work with your foundation. Other times it comes down to trusting your own gut instinct.

Most who have used facilitators caution their colleagues to be selective in choosing one. "We found someone who had worked previously with family businesses. We chose her because of her temperament. I thought it would work with our personalities—and it did. She was able to reach our trustees and get them to open up," said Caroline Sabin, executive director of the Powell Foundation in Houston.

What traits should you look for in a facilitator? Of course you want someone with demonstrated experience in facilitating groups—preferably foundations, nonprofit organizations, corporations or families, depending on your foundation type.

According to Kerry Mellette, president and CEO of the Williamsburg Community Health Foundation, a good facilitator is "open-minded, extremely organized, someone who has presence and confidence, who can take control of the group and handle any diversity or conflict." Although it isn't necessary, she said, it can help if the facilitator also has expertise in the foundation's focus area.

Once you identify a list of potential candidates, consider drafting a request for proposal (RFP) that outlines your needs. (See sample at the end of this chapter.) Even if you don't use an RFP, ask potential consultants to prepare a proposal and work plan for your review. What they prepare for you will give a good sense of their skills and style.

When talking with candidates, consider asking them the following questions:

- How would you work with our foundation?
- What is your facilitation style?
- What other experiences have you had (with other groups, families or foundations) that might help us?
- What fees do you charge? (Facilitators have different ways of billing for time. Ask about fees for preparation time, retreat facilitation, travel time and summary or follow-up reports.)

Before you hire a facilitator, it's always a good idea to check references—the people who have worked with them before. When you check references, try to find out about the candidate's ability to:

- Help the group get to the desired outcome for the meeting
- Listen carefully without imposing biases
- Understand different perspectives and help bring them to the surface
- Ensure that everyone's voice is heard—even if that means prompting some people to speak up
- Help the group recognize and confront any unproductive behavior or conflict
- Analyze and summarize key issues
- Help the group form an action plan and follow-up activities.

When you are ready to hire a facilitator, you will want to draft a letter of agreement (or ask them to draft it for you) specifying the scope of the work and expectations. Most agreements include:

- Length of work period
- Deadlines
- Fees and payment schedule
- Confidentiality clause
- Termination clause.

As with any agreement you sign, ask your attorney to review it beforehand.

Are Facilitators Contractors or Employees?

A person hired and paid to perform tasks for your foundation may be classified as an employee or an independent contractor. Proper classification is important because the foundation must withhold and pay employment taxes on behalf of employees. Just calling someone a "consultant" or a "facilitator" doesn't automatically make them an independent contractor. To find out more about IRS classification, visit cof.org for a copy of Jane Nober's article *Worker Classification: Do It Before the IRS Does.*

What's All This Going to Cost?

When hiring an outside facilitator, be sure you know exactly how that person charges. Some facilitators charge by the hour, some by the day and others by the project. Some include their expenses in their fee; others don't.

Ask candidates for a proposal that includes a budget for the following: preparation, design and facilitation of the meeting; pre-work/interviewing fees (as applicable); reimbursement for out-of-pocket expenses, such as travel and lodging; costs of materials and supplies; fee for writing the meeting summary; and any post-retreat follow-up services.

As a general ballpark figure for a skilled facilitator with foundation expertise, you can expect to spend anywhere from $1,500 to $5,000 in fees for a retreat, depending on its length and the amount of pre- and post-work involved.

The IRS allows you to incur reasonable expenses necessary for charitable operations. As long as the expenses of the facilitator are reasonable (i.e., in line with what similarly situated foundations are paying for a similar work product) they should be permissible administrative expenses. For more information, see chapter 4, page 37.

Working with a Facilitator

Before you've hired the facilitator, you will need to discuss and, in some cases, co-create a work plan with the candidate. In general, work plans determine the roles and responsibilities for planning, facilitating and debriefing after the retreat. As you develop a work plan, it helps to discuss the following:

- What pre-work will the facilitator do? Will he or she interview board members privately and before the retreat? Will he or she send out written surveys?
- What pre-work will the meeting organizers or planning committee do? Will they be in charge of planning the logistics for the meeting? For communicating with the board?
- How will the facilitator work with the meeting organizer or planning committee?
- Who will be in charge of developing the agenda?
- What will be the timeframe for planning and conducting the event?
- What type of follow-up activities will the facilitator do? Will he or she write a meeting summary? Will he or she work with the foundation on any next steps?
- What is the role of staff, as applicable, before, during and after the retreat?

It's much better to get these issues out in the open at the start of the planning process. Doing this will help all participants understand their role and avoid any potential misunderstandings along the way.

Expect to share a great deal of background information to help the facilitator prepare. They might ask you for:

- Organizational documents—the articles of incorporation, bylaws, trust documents
- Funding history for the last five years
- Annual reports
- Meeting minutes for the past three years
- Any printed or web materials.

Here are some simple tips for getting the most out of working with facilitators:

- Give them time to prepare thoroughly—time to interview or survey all the members concerning their hopes for the retreat, issues they want discussed, their special concerns, etc.
- Allow them the opportunity to review background documents.
- Share with them (confidentially, if need be) information about potentially explosive dynamics so they can prepare for potential conflicts.
- Help them structure the agenda so that there is sufficient time to conduct the retreat and yet time for that informal interaction.
- Set aside cell phones, pagers and e-mail in the retreat session. Foundations should try to put other business on hold, if possible, for the duration of the retreat out of respect to the issues and their colleagues.

For more on working with consultants, read *Family Matters*, Council on Foundations, Summer 2002. Visit cof.org.

Planning without a Facilitator

Of course, outside facilitators may not be right for every foundation. For some, an outside presence may feel intrusive in the private board discussions. Board members may not be as candid with someone else in the room.

If your foundation prefers to keep its business to itself, consider appointing a few members to plan and organize the retreat and one person to be in charge of facilitating.

It's tricky to balance the roles of facilitator and board member, often because the participant has a vested interest in the outcome. Below are some guidelines to follow if you are called to fill these dual roles:

- Clearly define your meeting role for the group. Let them know that you are there to *guide* the process, not participate or add content to the discussion.
- If you must add to the content or give an opinion, notify the group when you are switching roles and ask someone else to facilitate for a brief time period.
- Be careful not to use your role as a facilitator to move the group toward your desires.
- Ask the group to help you facilitate in a fair and balanced way and to tell you when you are not.

Peer Practice:

Using Facilitators

We Hired a Facilitator…

"It's important to use a facilitator when you are taking the longer perspective. They can help you look at the bigger picture, ask questions that might not occur to you and be willing to address touchy subjects."

—Bill Conrad, Executive Director, Stackpole-Hall Foundation

"Facilitators can help introduce potentially uncomfortable discussions. It's when the conversation gets uncomfortable that the growth occurs."

—Richard (Skip) Moore, President, Weaver Foundation

We Did It on Our Own…

"We have worked with a family business consultant/facilitator for more than 10 years who has helped us understand our foundation dynamics and develop our group decisionmaking skills. As a result, the board decided to manage our family foundation retreat internally."

—Liz Tauck Walters, Managing Director, Tauck Foundation

"We don't use facilitators in our meetings with trustees. It would have been difficult to use an outsider in our last meeting because so much of the meeting dealt with our history. Our trustees wouldn't be candid with other people in the room.

—Chris Park, President, Lucent Technologies Foundation

Samples

Facilitator's Job Description

Adapted from Great Meetings!: How to Facilitate Like a Pro, *Hansen Press, 1997.*

A facilitator:

- Plans and designs the meeting process, in partnership with the meeting convener and organizer.
- Helps everyone feel welcome.
- Clarifies the purpose of the meeting, the desired outcomes, the process that will be used and the roles of each person.
- Works with the group to establish and gain buy-in to the ground rules.
- Draws out opinions and encourages full participation from all members.
- Clarifies communication.
- Keeps the group focused and on track.
- Protects participants from attack.
- Provides a safe space for creativity.
- Listens intently and takes notes.
- Handles difficult situations and behaviors.
- Names conflict when it arises and guides those involved through negotiating their differences.
- Adapts the process as necessary to move the group forward.
- Makes process suggestions.
- Encourages the group with affirmation and appreciation.
- Summarizes progress at key points.
- Guides the group in coming to conclusions, agreement, clarity on next steps.
- Maintains neutrality, reflecting content and process back to the group.

Request for Proposal (RFP) for Retreat Facilitator

Adapted from Raffa, P.C. *May 2005*

INTRODUCTION

The ABC Foundation (ABC) is soliciting proposals from philanthropy consultants and professional facilitators to design and facilitate its spring retreat. The retreat will be held in Baltimore, Maryland (exact location TBD) on the weekend of May 21–23.

This request for proposal (RFP) contains background information on ABC and specific information that must be included in the proposals submitted. The proposals must be submitted by no later than 5:00 p.m., February 28, 2007, directly to our office at the following address:

ABC Foundation
1000 Main Street, NW
Washington, DC 20036
Attn: Susie Johnson

BACKROUND

ABC is a private family foundation with a mission to help developmentally disabled adults in the Mid-Atlantic United States. The foundation was formed in 1998 by Henry and the late Marilyn Johnson. The board includes eight members—four of whom are family members, three of whom are community members working in the developmentally disabled field and one attorney.

The purpose of the upcoming retreat will be to review Principle III of the Stewardship Principles for Family Foundations, which states "We consider multiple strategies to further our mission." As part of the retreat, the foundation will evaluate its past and current programs, consider areas of success and possible improvement and consider a range of financial support options as well as technical assistance to grantees and other nonprofits.

PROPOSAL REQUIREMENTS

Please submit a proposal outlining your and your firm's expertise, working style and a possible work plan for this project. The following items should be specifically addressed in the proposal submitted:

- Experience of the firm, size, location and area of expertise
- Approach to planning the retreat and engaging retreat participants
- Nature and timing of the services
- Fees and estimated expenses
- Three references from previous clients
- Contact information.

The proposal should be no longer than eight pages. Feel free to e-mail the proposal (abc@abcfoundation.org) or send it by hard copy to the address listed below.

SELECTION PROCESS AND TIMING

We will review all proposals based on the criteria outlined above. Those consultants whose proposals are selected for further consideration may be asked to participate in a personal interview with us and/or answer questions in advance of our final selection.

Please let us know at your earliest convenience, but by no later than February 15, if you are going to respond to this request for proposal.

We ask that you forward *four (4)* copies of the proposal to the address shown below directed to the attention of *John Doe*. We may, at our discretion, meet with a few final candidates during the week of March 7. We plan to make our selection by no later than March 15 and would expect work to begin at the earliest time thereafter.

CONTACT INFORMATION

All inquiries should be directed to:

Susie Johnson (202/555-5555 or abc@abcfoundation.org)
ABC Foundation
1000 Main Street, NW
Washington, DC 20036

Letter of Agreement with a Retreat Facilitator

Courtesy of the Council on Foundations

There are many approaches to writing an agreement for a facilitator's services. Below is a sample agreement for hiring a consulting firm. As with any legal document, a foundation should consult with legal counsel to make sure that the document is tailored to meet the needs of the foundation.

[DATE]
[FIRM NAME
& ADDRESS]

Dear [Contact Name]:

This contract will confirm our understanding of the terms of the work to be performed by your firm for [Foundation name] (the "Foundation"). Your firm's principal contact at the Foundation will be [name]. The work described in this agreement will begin on [date]. All work shall be completed no later than [date].

Contractor Services:

Your firm agrees to perform the following duties in accordance with this Agreement:

[Describe all work to be performed with enough detail to ensure that it is clear from the contract what is being done. Include hours to be worked, a description of all tangible items to be produced, deadlines, any schedule of deliverables, specifications, quality benchmarks, where the work is to be performed, special tools/skills necessary, etc.]

Project Fees and Expenses:

Your firm will be paid at the rate of $[amount] per hour for hours actually worked. In no event shall the total amount due from the Foundation for professional costs under this contract exceed $[total] unless expressly agreed to in advance in writing by the Foundation.

In addition to the hourly fee, the Foundation will pay the following expenses, provided that all such expenses are supported by original documentation:

[Specifically identify approved additional expenses. If the foundation has a travel policy to which it expects consultants to abide, that policy may be attached as a reference and incorporated into the agreement.]

There shall be no charges to the Foundation other than those expenses specifically set forth in this Agreement, unless expressly agreed to in advance in writing by the Foundation.

Total Maximum Contractor Costs **$ [Total]**

Payment Terms and Conditions:

Payment of all undisputed amounts will be made after completion of the work in form and content acceptable to the Foundation and within thirty (30) days of the Foundation's receipt of the following:

[Insert any documentation requirements here. Such documentation may include items such as a detailed invoice and/or original receipts for expenses.]

Independent Contractor Status:

Your firm understands that it is an independent contractor and that nothing in this contract shall create any association, partnership, joint venture or agency relationship between your firm and the Foundation. Unless and to the extent otherwise specified in this contract, your firm shall be responsible for all amounts due for materials in connection with its performance and your firm agrees that it shall be solely responsible for compensation and any and all related taxes due to its employees. Neither your firm nor the Foundation has any right or authority to assume or to create any obligation or responsibility on behalf of the other party.

Indemnification and Insurance:

The Foundation shall assume no liability for any bodily injury, personal injury or property damage resulting from your firm's negligence, malfeasance or non-feasance in performing the work described in this agreement; in this regard, your firm agrees to indemnify and hold the Foundation harmless and to carry adequate liability and other insurance protecting itself against any such claims arising from your firm's negligence, malfeasance or non-feasance.

Warranty:

Your firm warrants that all supervisors, employees and authorized representatives assigned by your firm to perform services under this Agreement shall be fully qualified and specially trained in their respective responsibilities and shall perform the assigned services with care and diligence.

Return of Materials:

In the event of termination of this agreement, the materials produced under this Agreement (including any materials used in preparation of the project described in this agreement) will become the sole property of the Foundation and your firm shall deliver such materials to the Foundation in such form as reasonably requested by the Foundation.

Confidentiality and Nondisclosure:

Your firm agrees to keep confidential and not use or disclose any information acquired in the performance of this Agreement concerning the Foundation, its business, finances, staff or operations.

Ownership and Intellectual Property:

Materials prepared or delivered by your firm to the Foundation under this contract shall be works made for hire created for and owned by the Foundation and are the exclusive property of the Foundation. Your firm hereby assigns all rights and interests in the materials to the Foundation.

Termination:

Neither party shall be liable for failure to perform any or all of the obligations under this agreement to the extent that events beyond such party's reasonable control, such as labor strikes, picketing, acts of God, severe weather, acts of terrorism, civil disturbances, shortages of materials or governmental intervention, materially affect that party's ability to perform. Further, this agreement may be terminated in writing without penalty by either party if such an event occurs.

In the event that the Foundation determines that this arrangement is no longer in the best interest of the Foundation, the Foundation may elect to cancel this contract without penalty on [timeframe (e.g., seven days, one month)] written notice. Outstanding fees or expenses incurred up to the date of receipt of such notice will then be settled by mutual agreement between your firm and the Foundation.

If your firm concurs with the terms of this agreement, please arrange to have the original signed by an authorized party and return them to me. The second copy is for your files.

We look forward to working with your firm on this project.

Sincerely yours,

[Name]

APPROVED: ____ ____________

[Name & Title of Authorized Signer for Foundation] Date

ACCEPTED: ____ ____________

[Name & Title of Authorized Signer for Firm] Date

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Tax Identification Number of Firm

Retreat Announcement

Adapted from Retreats That Work: Designing and Conducting Effective Offsites for Groups and Organizations, *Jossey-Bass/Pfeiffer, 2003*

To: Members of the XYZ Foundation

From: Board Chair

I am pleased to announce that Sally Jones of Foundation Facilitators U.S.A. will be leading our upcoming retreat. The purpose of this retreat is to assess and review our effectiveness, using the principles and practice options outlined in the Stewardship Principles.

Sally will help us perform a purposeful self-examination and make decisions about how we can improve our operations. Her work with us will consist of three phases:

1) **Pre-work:** Sally will work with Bob (the executive director) to design a survey that will be distributed to you before the retreat. She will tabulate the results of the survey to learn what you identify as the most critical issues of our governance.
2) **Retreat:** She will guide us through a two-day retreat, which will include one evening meal and guest speaker (TBD).
3) **Follow-up:** Sally will develop a retreat summary report, which will be distributed to all members, and continue to work with Bob on the action plan we mutually create at the retreat.

During the pre-work phase, Sally will be interviewing everyone who will be attending the retreat and the staff. If you are called for an interview, please respond candidly to her questions. Sally will respect your confidence and will not disclose to anyone—not even to me—any comments that could be attributed to a specific individual. She will share her comments with us as a summary only.

The second phase of this initiative will be a two-day offsite retreat held at the Doubletree Hotel in Phoenix, AZ, February 20–21. We will send you a detailed retreat package, with all the logistics, one month before the date.

I look forward to everyone taking part in this retreat with open minds and a commitment to our foundation. If you have any questions or suggestions for the retreat, please contact me anytime at boardchair@foundation.org or Sally at sally@foundationretreatsusa.com.

Thank you and see you soon.

Chapter 4
Practical Matters

> *"There's something about going off-site that frees people. Some people bloom when they are away from the board table."*
>
> *—Kathleen Odne, Executive Director, Dean & Margaret Lesher Foundation*

How Long Should the Retreat Last?

Retreats can be as short as three hours or as long as three days. To determine the right length of time for your retreat, first ask yourselves: What do we want to accomplish? What's our best guess at how long that will take?

Consider the nature and complexity of the issues at hand, as well as the culture and communication style of your board. For a board that works well together, an ideal retreat time may be one or two days.

If the group has the time for an overnight stay, it can allow for even more reflection and discussion time. Overnight retreats give the opportunity for some informal downtime together and a chance to process the retreat over a couple days. Some foundations even plan retreats over a weekend, beginning Friday evening and ending Sunday at midday.

Of course, overnight or weekend stays may not be feasible for some board members—for example, for those who have small children or who are caring for an elderly parent. When determining a retreat's schedule and location, be sure to make choices with respect for the participants' outside personal and professional commitments.

If board members cannot commit to a full retreat that lasts two or three days, consider holding a series of small retreats over a certain period of time. In the interest of time, some foundations also plan retreats around their regular board meeting schedule. Keep in mind, though, that too much time together may be less of a good thing. "We held our retreat over a long weekend with a regular board meeting tacked on at the end. It was exhausting," said Caroline Sabin, executive director of the Powell Foundation. "If we were going to do it again, I would hold the business meeting first or hold the retreat as a separate event."

In This Chapter

- Plan the retreat logistics.
- Learn what to look for in a retreat location.
- Think about what you'll need on site—audiovisual, meals, supplies, etc.
- Consider money matters.

Where Should We Have the Retreat?

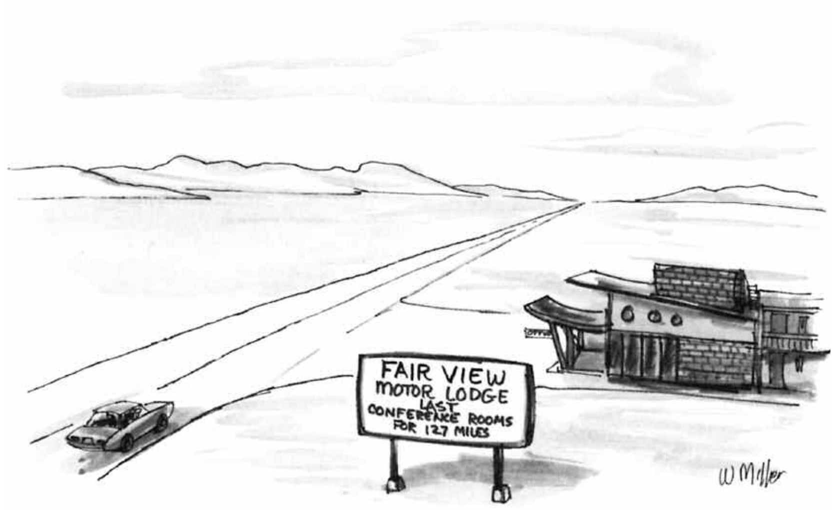
Choose a retreat location for convenience, value and conduciveness to the work that will be done. If possible, a retreat should be held outside of the office or typical conference room setting. A different environment changes the rhythm of what you do, creating a more relaxed, informal atmosphere that leads to creative thinking and interacting.

Whether you meet around the board chair's family room or at a hotel meeting room in a centrally located city, make sure to plan your retreat in a location that not only offers appropriate space but also meets your other needs. Some location options include:

- Hotel conference rooms.
- Campgrounds or lodges at state or national parks.
- Community centers, libraries, nature centers.
- Meeting places in nonprofits or civic organizations available for free or a small fee.
- Resorts (off-season is usually cheaper and less crowded).
- A board member's house. When you need a location on short notice and cost is an issue, this can be the way to go.
- Retreat centers.

You might also plan a retreat around a particular event or a location that ties to your mission. For example, a foundation with a mission of environmental conservation might hold its retreat at an eco-friendly site. Or, if you plan to include site visits to grantees as a part of your retreat, choose a location that is central to them.

In addition to the meeting site, rooms themselves can determine how a meeting goes. For example, a room without windows can feel claustrophobic; participants may feel stifled or hemmed in. Similarly, if the room is too wide open, the group may lose some of its intimacy.



Peer Practices:

A Series of Mini Retreats

Can't get your board to commit to one full day? Consider holding your retreat over a series of separate events. "Because the members of our new committee had such a heavy travel schedule, we had a hard time getting them to commit to a full-day retreat for their orientation (Principle II.E.). We knew, though, that we could get them to come to dinner," said Tracy Souza, executive director of Cummins Corporate Social Responsibility. Souza planned the retreat by spreading it out—six dinners over a period of about four months. It worked, she said, because all of the committee members lived in the same geographical area.

Souza planned the dinners as social events with a purpose. Each focused on a certain topic (e.g., education, history of the community, past funding practices) and included a community leader or content expert who gave a presentation. "In advance of each dinner, I sent the committee an agenda and short bio of the guest speaker. At the end of the series, we had a final dinner with committee members only where they identified what they had learned and what priorities they wanted to pursue.

Spouses were invited to the dinners, and each ended at 8 p.m. sharp. Souza said the dinner series was incredibly effective. It helped, she said, to invite spouses along and to end on time. "Looking back, I'm not sure we would have been able to accomplish all we did in a one-day retreat. Sometimes you have to think outside of the box."

Take Your Retreat on Tour: Principle VI.B.

Looking to take your retreat on the road? Consider combining your retreat with site visits to your grantees, as outlined in Principle VI.B. Site visits can bring the board closer to the grantees' work and their needs for the future. Be sure to base your visits on the size and purpose of the grant and the impact on the grantee. By the second day of the retreat, your board will be able to engage in more compelling discussion and likely make better decisions about future funding.

Tip: When you have access to a flexible space, move the tables around to create an open circle, like a horseshoe or half-moon, where everyone can have eye contact.

The Right Site

Look for a retreat or meeting facility that is/has:

- **Soundproof**—You don't want to spend your day listening to music or applause from another meeting next door.
- **Spacious**—The meeting room should be large enough for participants to break away into separate groups (or have smaller rooms nearby), but not so big as to lose the intimacy of the group as a whole.
- **Cost conscious**—As always, carefully consider how your charitable dollars are spent.
- **Comfortable**—It should have movable, padded chairs (or sofas if you want it to be cozy), tables with plenty of working space and good lighting.
- **Accessible**—Ideally, the site will offer a courtyard or grounds in which participants can congregate informally or take time out from the group. The site should also be accessible to people with disabilities if there are any in your group.
- **Accommodating**—It offers snacks and drinks all day, good meals and clean facilities.
- **Adjustable Room Temperature**—Hotels are notorious for pumping up their air conditioners. Find out how hot or cold the room is in advance and how much control you will have over the thermostat.
- **Adequate Technology**—The facility should have available the technology and supplies you require (Internet access, projection equipment, flip charts, etc.).
- **Near Recreation**—Check to see if the site is near social or recreational activities, if that is an important part of the group's culture.

Booking the Meeting

When planning a meeting at an off-site location, you will work with vendors who provide the products and services for your retreat. They may include (but aren't limited to) hotels, airlines, ground transportation or destination management companies. Be prepared to answer their questions, which might include any of the following:

- Who are your attendees?
- What is your budget?
- Where do they come from?
- What are the dates and are the dates flexible?
- What is the agenda?
- What are the food and beverage requirements?
- What are your audiovisual needs?

Meals and Breaks

"I'll wait a moment for everyone's energy drink to kick in."

Let's face it: Food can make or break your event. People care about the food they eat and, especially in a long meeting, look forward to breaks and mealtimes. Breaking bread together helps everyone relax, enjoy themselves and build a camaraderie that may or may not be there to begin with.

Food eases people into a meeting—whether it's coffee and muffins to start the day or a sit-down dinner that sets a tone for the evening. For people who have been traveling to get to the retreat, this social time will help them de-stress before getting down to business. Plus it offers a chance for the board to reconnect with each other—to catch up socially so they won't be distracted during the main event.

When planning full meals for the group, be sure to inquire about everyone's dietary restrictions, if any, in advance. As a general rule, avoid heavy or rich foods at the start or midpoint of a retreat. Big meals can be tasty at the time but put people into nap mode.

Here's another tip if you are planning an evening out: Some restaurants can be loud and distracting. If you plan to meet in a restaurant, be sure to request a quiet section or separate room. Allow everyone to enjoy their meal first, and then call the group's attention to the discussion at hand.

In addition to mealtime, plan some breaks between sessions or activities. Breaks allow board members time to make phone calls, check their messages and in general, take care of themselves. It's nice to offer some refreshments during breaks. You don't need to serve anything exotic or extravagant, but you should serve something. Hot and cold drinks can be a good pick-me-up, and a combination of sweet, salty and nutritious foods will help please most everyone. Some ideas: popcorn, pretzels, whole fruit, granola bars, cookies, fresh lemonade, fruit punch, soft drinks, coffee and tea—and, unless you want a thirsty bunch on your hands, plenty of bottled water.

A Surplus of Supplies

Don't forget to have plenty of supplies on hand. Depending on what group activities the facilitator has planned, make sure to have the following:

- Flip-chart paper and/or butcher paper (comes in long, sturdy rolls)
- Non-bleed markers (in different colors)
- Heavy-duty masking tape
- Magic markers or crayons for small groups
- Paper, pens or pencils for each participant
- Extra copies of the agenda or schedule of events
- Stars or dots, which can be used for voting or highlighting key topics
- Water and mints or candy at each table—a nice touch.

You might not use all of these supplies at your event. But it helps to have them nearby in case you need them.

Money Matters

What is the right amount to spend on a foundation retreat? What expenses should the foundation pay and which costs should family members cover? The Tax Code rules that govern private foundations provide some guidance in this area.

Under the Tax Code, expenses relating to a retreat that considers the charitable programs and governance of a private foundation will be considered administrative expenses.

The code allows foundations to make these expenditures and to count them toward their required annual minimum distribution (familiarly known as "the 5 percent payout") so long as they are "reasonable and necessary." If any portion of the retreat addresses investment issues, expenses relating to that portion will not count toward the 5 percent payout (but may be used to offset the foundation's investment income). Furthermore, as long as the payments for retreat expenses are reasonable and necessary (and not excessive), foundation managers will not commit acts of self-dealing by accepting these benefits.

Can Spouses Come Along?

In general, spouse travel expenses may not be charged to the foundation (exceptions arise when the spouse is also a foundation employee or is performing necessary services for the foundation). Paying spouse travel expenses will in many cases be an act of self-dealing for a private foundation, unless treated as compensation to the foundation's managers. Your board should develop a travel policy that sets forth circumstances in which it will be permissible to include spouses in foundation events and how expenses will be handled.

As expenditure by charities comes under heightened scrutiny from federal and state authorities and the media, foundations can contribute positively to the charitable sector's image by stressing their tradition of responsible and effective philanthropy. Carefully considering how charitable dollars are spent is part of that effort.

What are "reasonable and necessary" expenses? They are expenses that are necessary for the foundation's operation and reasonable in amount. If that definition does not clarify the issue for you, do not feel alone; determining what appropriate expenses are is difficult and depends on the foundation's activities and finances. Remember, too, that what seems reasonable and necessary to one group of people may seem stingy or lavish to others. We often suggest that foundation managers consider whether they would feel comfortable justifying a particular expenditure to the IRS, a state attorney general or the local newspaper before they undertake it.

If your foundation has developed a travel policy, the expenses of the retreat should fall within its bounds. If your foundation has not developed a travel policy, the Council strongly encourages you to do so. An article on developing a travel policy is included on page 60. A travel policy will set parameters for transportation and meal costs as well as hotel rates and miscellaneous expenses. The foundation should generally not pay the travel expenses of family members who accompany trustees but have no official position or duties for the foundation. Under the Tax Code, these individuals are most likely "disqualified persons" and the foundation may not make payments to or for their benefit. Such payments could be considered acts of self-dealing and subject the foundation to penalty taxes. Although an exception to the self-dealing rules allows the foundation to pay the travel and meeting expenses of board members, this exception does not apply to disqualified persons who have no official role in the foundation's work. Some foundations choose to pay family members' expenses and treat such payments as taxable compensation to the trustees; this may be permissible so long as the total amount of all compensation received by the trustee is reasonable. Consult your lawyer or accountant with specific questions about expenditures in this area.

Sample

Planning Checklist

Adapted from Great Meetings: How to Facilitate Like a Pro*, Hansen Park Press, 1997*

- ☐ Decide on the appropriate length for the retreat (ask the facilitator, if you hire one, for recommendations).
- ☐ Determine when the facilitator is available.
- ☐ Check availability of the senior staff or other members whose presence is needed at the meeting.
- ☐ Select a comfortable retreat location and determine when it can host your foundation.
- ☐ Announce the retreat and give participants two or three options for dates.
- ☐ Contract with the retreat facility for the dates you choose.
- ☐ Arrange for food and any other social activity.
- ☐ Develop/select group exercises.
- ☐ Develop a detailed retreat agenda with timeframes.
- ☐ Make arrangements for transportation, meals, lodging and any required audiovisual needs.
- ☐ Announce the dates of the retreat and provide participants with the information they need including:
  - Agenda and any pre-work assignments
  - Lodging arrangements
  - Directions to the site
  - Recreational options, if any
  - Dress code (usually casual)
  - Contact information for where they can be reached by colleagues or family members.
- ☐ Ask invitees to confirm their participation and indicate any food preferences or limitations.
- ☐ Develop presentation materials.
- ☐ Prepare the room.
- ☐ Start the day.

Timeline Tip

When developing your timeline for planning, use your meeting date as a starting point and work backward. Write a list of all the major tasks and pencil in due dates. Add new tasks to the timeline as you identify them.

Chapter 5
The Main Event

"Begin the day with something real—a discussion or activity where everyone talks."

—Denise Cavanaugh, Cavanaugh, Hagan & Pierson Inc.

Starting the Retreat

There's an old saying that bears repeating: If you don't know where you're going, you'll probably end up somewhere else. This is true for retreats and meetings. Like you, your fellow board members need to be clear on the meeting's purpose and understand what they are there to do.

Many meetings, however, aren't planned with the participants' interests in mind. When convening any meeting, always consider the perspective of the people attending. What do they want to get out of it? Why are they choosing to attend? What do they need to know as soon as they arrive?

Do your job to make sure the participants show up armed with information. For example, send the information on the retreat at least two weeks in advance. Be sure to inform them of any reading or pre-work so that they can come prepared.

In This Chapter

- Learn how to plan retreats with the participants in mind.
- Start the retreat by breaking the ice.
- Set ground rules.
- Choose the right group activity to advance retreat goals.

In addition to passing out copies of the agenda, which you may have done in advance, it also helps to list an agenda summary (with approximate times) on a flip-chart sheet taped to the wall. This way, members will have a visual display of the tasks and timeframes to refer to throughout the day.

Typically, the chair or board president will start the meeting. He or she will welcome everyone, discuss the purpose for the retreat or meeting and either introduce the facilitator or turn the meeting over to the executive director.

The facilitator (or executive director, as the case may be) will then frame the agenda for the day. He or she will define everyone's roles, remind people of the benefits of being there and answer the questions everyone wants to know.

What People Want to Know Up Front

When you walk into a retreat or meeting room, what's on your mind? Everyone wants answers to their most common questions—and the sooner the better. Be sure that these questions are answered at the start of the meeting:

- Why are we meeting?
- How will this advance our mission?
- Will this be a good use of my time?
- What's on the agenda?
- How long will this take?
- What is my role? What's expected of me?
- Will I have to talk/present/perform in front of the group?
- When will we take a break?
- Where is the food?
- Where is the bathroom? Phones? E-mail access? Emergency exit?
- What are we going to do for fun?

Do your best to address these questions in the first 15 minutes of the meeting. You might even include a set of frequently asked questions (FAQ) in the retreat agenda or meeting packet. This will help you save time as you start the meeting.

Peer Practice:

Start Socially

"We started our retreat with a Friday evening dinner. It was informal and gave trustees a bit of bonding time. After the meal, we talked about themes for the meeting, and our expectations and concerns. We went over the meeting agenda, set ground rules and reaffirmed our foundation's values."

—*Caroline Sabin,*
Executive Director,
Powell Foundation

Breaking the Ice

Next it's time to get people talking.

Many facilitators recommend starting the meeting with an icebreaker or two. Icebreakers are quick exercises to help members warm up, speak up and start interacting.

For example, a facilitator might ask each person to tell the group something new about themselves. Even when members think they know each other well, sometimes the answers will surprise the group.

According to facilitator Linda R. Fisher, "What's most important about an icebreaker is that everyone says something—anything. It's like getting your oar in the water. It doesn't matter what people say, but just gets the ball rolling."

One of the tricks of an icebreaker is timing. It should not be too long otherwise the serious work of the meeting will not be given enough time. It should not be so short that participants feel it was a waste of time. Timing depends on the size of the group, the overall length of the event and the purpose of the event. For example, an all-day retreat might warrant a half-hour icebreaker, but a one-hour meeting may call for only a minute or two.

When planning an icebreaker activity, select a few non-intrusive questions that help people open up. Here are some ideas:

- What's been a high point of your day [or week]?
- Tell us some good news in your life?

- If you weren't here today, what would you rather be doing?
- How did you spend your last (or plan to spend your next) vacation?

Or you might focus more on retreat-related issues:

- What matters to you most about the foundation?
- What aspect of the foundation's work are you the most proud of?
- What's your highest hope for this meeting?
- What is one burning question you hope will be answered at this retreat?
- Choose one word from your mission statement—what does it mean to you and why?

For more thoughtful questions related to the foundation, it helps to give participants a few minutes to silently collect their thoughts before they speak or even have them write their ideas down. This brief pause in the discussions will encourage more interesting responses from all.

Peer Practice:

Convening Community Members—Principle III.J.

"Every five years or so, we hold a retreat to get proactive on the issues in our funding area and how they have changed. We examine whether there should be a shift in our focus based on community needs. For these meetings, we engage community people in the discussion—bring in representatives from the community, discuss their perspective and how that affects our mission."

—Bill Conrad, Executive Director, Stackpole-Hall Foundation

Tip: Icebreakers aren't just for the beginning of a meeting—they also work for helping the group reconvene after lunch or the next day.

Setting Ground Rules

The concept of ground rules is based on a fairly simple principle: that everyone involved in the meeting should be treated equally and fairly. Ground rules explicitly state accepted behavior and procedures that people normally consider fair but sometimes abandon in a group dynamic. By establishing ground rules at the onset, the group will have an opportunity to discuss what constitutes good behavior. It will also help them feel more ownership over the meeting.

Your foundation may already have existing ground rules—a values statement, for example—that you can reference. Or you might need to develop ground rules on the spot.

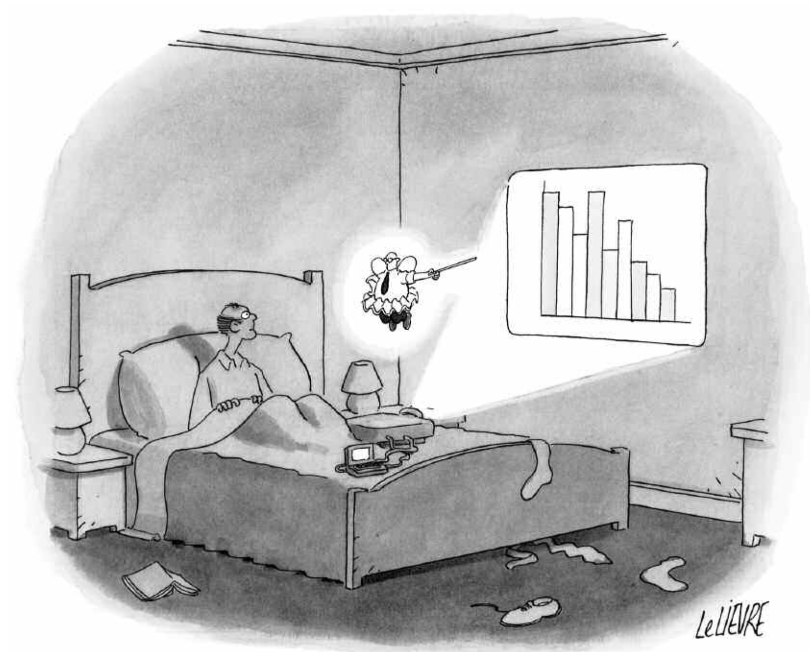
You may find that some members resist establishing ground rules, either because it takes time away from the "real work" or it feels childish to define good behavior. Remind them that retreats are a means to an end and that the process is important. Ground rules establish a way of communicating and relating to each other that everyone agrees to. This makes the "real work" easier to do.

For most groups, it isn't necessary to devote more than five or ten minutes to a ground rules discussion. You might start by asking for suggestions for ground rules and encouraging members to be as specific as possible. Examples of ground rules might be:

For example, we will:

- Speak respectfully to each other.
- Listen without judgment.
- Explore different interests.
- Allow people to finish their statements without interruption.

- Debate ideas, not individuals.
- View all members as problem-solvers.
- Stay on task.
- Use constructive criticism.
- Arrive on time and stay to the end.
- Have a sense of humor.



The Night Before the Big Meeting Frank Receives a Visit from the PowerPoint Fairy.

Choosing Group Activities

Once you establish the ground rules, it's time to get underway with the work itself. Often the "work" at retreats is disguised in the form of group activities and exercises that get people thinking.

The primary reason for including group activities is this: Adults have surprisingly short attention spans. It's hard to keep people's attention through a retreat that lasts more than a couple hours. After about ten minutes of continuous input, people simply don't absorb information at the same pace. Their minds drift off to other things—scribbling a to-do list, recalling a recent golf game, wondering how many hours it will be until it's time to eat.

Studies on adult education have shown that people respond better when there is a mix of teaching approaches and interactivity, such as role-play, questionnaires, small discussion groups and visual aids. The good news is there are plenty of group activities out there that you can use to keep people's minds on the task at hand.

Understand that the group activities that work best depend on your board's culture and your goals for the meeting. Some activities help identify ideas and issues; others help analyze a specific problem. If you have a facilitator, ask them which activities to use. If you are running the meeting yourself, choose your activity based on the type of work that needs to be done. Before selecting an activity, ask yourselves:

1) Where is the group in the problem-solving process?
2) What are the factors influencing the group right now?
3) What is the size of the group?
4) What is the comfort level of the group? Is there a good introvert/extrovert mix?
5) What is the power dynamic? Is the group laid-back or conservative?
6) Is the group high or low energy or in between?

You know your group best. Some of the activities listed here may appeal to your board, and others won't. Select the ones that the board will be comfortable with and that will accomplish what you want to do. These are simply ideas to get you started—they aren't step-by-step instructions.

Brainstorming

Brainstorming works any time a group needs to come up with a list of ideas as part of its problem-solving process. For example, in a retreat that focuses on Principle III ("We consider multiple strategies to further our mission"), board members might brainstorm ways that the foundation could collaborate and/or meet with others.

There are dozens of variations on how to capture ideas during brainstorming. The most common way is to use a flip chart, a large piece of paper stuck to the wall or individual sticky notepads. Ask members to generate a free-flowing list of ideas in response to a certain question (for example, "In what ways can we collaborate with other funders? Around what issues could we convene other community leaders, funders and nonprofits?"). The brainstorming can focus on almost any topic as well: current challenges, potential solutions, cause and effect, values and ideals or next steps. Ask the group to hold off on any discussion or judgment until after the full list is complete.

Mind Mapping

Mind mapping helps to break down a problem or issue, showing the causes, effects and relationships between topics. It can also be used to break down a task into smaller steps.

To begin the exercise, draw a circle on a large piece of paper and write a word inside, representing an issue (e.g., "Technical Assistance to Grantees"). Draw separate lines (or circles) off the main circle and label them with different aspects of the issue (e.g., possible types of technical assistance, challenges, rewards, resources, time requirements). Add new ideas as they are called out and add new lines with related ideas as spokes off those lines.

Miracle Question

If you could have one wish or could fix one thing, what would it be? This tool encourages the group to frame the situation positively and focus on how they want things to be instead of how they are now. The group should be as specific as possible in what they wish and not get caught up in how it would get done or excuses for why it can't happen.

Driving Forces

This is a good tool for identifying forces that could create a possible change. Use this one when the board is considering starting a new program or grantmaking initiative. To start, create a chart with two columns, labeled "driving forces" (factors that work toward the change) and "restraining forces" (factors that work against the change). Brainstorm the specific factors to go in each of these columns and examine the list. Ask the group to choose two or three of the driving forces and discuss how they could strengthen those forces toward the desired change. Next, choose two or three restraining forces and identify ways to minimize their negative effects on the desired change.

Significant Stories

For this exercise, small groups are asked to tell the story of a recent or past event inside the organization (or family, as applicable) that they believe illustrates an important part of the foundation's culture (Principle III). After the small groups report out, everyone discusses their reactions to the stories and what they learned.

Planning for the Unexpected

This exercise helps the group plan ahead in the event of a crisis and the need for leadership continuity (Principle I.C.). To start, the leader steps out of the room and the facilitator announces that the leader has died, or for whatever reason, cannot continue duties to the foundation. The group must then work together to figure out what they would need to do in the midst of the crisis and beyond.

> **Peer Practice:**
>
> ## Mapping History—VIII.D.
>
> "We used a Grove chart [a.k.a. history map], allowing us to plot significant events chronologically. The facilitator and I plotted seminal moments, but we asked board members to plot what they thought was important. For us, it was a way of seeing that we've really done a lot. We were able to see our accomplishments graphically rather than by how much money the foundation has given."
>
> *—Kathleen Odne, Executive Director, Dean & Margaret Lesher Foundation*

History Map

This exercise helps members connect with the foundation's history to inform future action (Principle VIII). Ask the board to create what's called a history map—a visual chart that plots significant events chronologically (sometimes known as a Grove Chart—see www.grove.com). On a long piece of butcher paper, create a timeline of the foundation history—starting with the date it began and ending with today's date. Fill in some significant events, but then invite members to come in and add phrases or pictures at different points on the timeline. This exercise can be effective for stirring memories and showing how people will have a different perspective on what was important to them. It also starts the meeting in a positive way by illustrating how much has been accomplished over the years.

Letter from the Grave

This is a twist that can be used alone or as a complement to the "unexpected and inevitable" exercise listed above. For this exercise, board leaders write a "letter from the grave" explaining their values, vision and hopes for the foundation after they have gone.

Newspaper Article

This tool helps the group create a vision for the future. Ask small groups to write a newspaper article about the organization they hope will be reported in the future. Members of the group can brainstorm what should go in the article, as well as its headline. The small groups then come back together and present their ideas to the group as a whole, comparing similarities and differences.

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities and Threats) is a good tool for analyzing the current situation both internally and externally. It helps to provide baseline information for a group that wants to envision the future or analyze a problem. Ask the group to identify its internal strengths and weaknesses and its external opportunities and threats.

Grouping

This tool helps organize a lot of ideas into larger categories or themes. Ask each member to write down ideas on a sticky notepad (one idea per sticky note) and tape them to the wall or in the middle of a table. When all the ideas are on the wall, ask the members to group and reorder the ideas without talking. The process continues until no one wants to make any further moves. Then the group discusses their areas of agreement and disagreement.

Breakout Groups

Divide the group into smaller subgroups and ask each team to discuss either the same issue or separate issues and take notes on their discussion. The team will assign a leader to present its findings to the main group.

What Happens When…?

In any group situation, things can go haywire pretty fast. If you've hired a skilled professional as your facilitator, hopefully he or she will be adept at handling these situations. If you are facilitating the meeting yourself, you will need to be prepared for when things go wrong—so that you can steer them right again.

Watch for these warning signs:

- People aren't taking the retreat seriously
- One or a few members dominate the discussion
- The group keeps wandering off task
- Members seem to have low energy
- People continually depart throughout the day
- One person continually disrupts the conversation
- Someone violates the ground rules
- Someone refuses to participate or walks out
- An intense argument erupts.

If these or any other unproductive behaviors occur, you can use a variety of tactics to get the meeting back on track. Consider these tips that will help keep the flow:

- Remind members why they are there and how much this process means to the foundation's effectiveness.
- Make sure all participants know their role.
- If some people dominate the discussion, encourage others to speak up: "Steve, what do you think?"
- Remind everyone to stay focused on the agenda and avoid jumping ahead.
- If the group is too large for discussion, ask that members raise their hand before speaking.
- When the meeting steers off topic, make a process check to redirect the discussion to the topic at hand.
- If one person keeps going off track, ask the person to relate his or her point to the topic at hand.
- If anyone has to leave early, ask that he or she lets the group know at the beginning of the day.
- Create a list you call the "parking lot"—ideas that are unrelated or unproductive to the discussion at hand but useful to remember for later.
- Refer back to the ground rules when needed and reaffirm the group's agreement.
- When members seem tired or punchy, take a quick break, encouraging them to stretch or go for a walk.
- If someone walks out, ask if anyone would be willing to go talk to them and listen to their concerns.
- Abandon any activity that isn't relevant or contributing to a positive outcome and suggest a new tack.

More Participation, Please.

Do you find some people moan and groan when it's time for group activities? Here are a few hints for keeping your members enthused and engaged:

- Give immediate positive feedback on participation.
- Acknowledge the value of all behaviors that serve the group.
- Use a variety of interactive exercises and visual aids.
- Show everyone respect.
- Allow people time to think.
- Emphasize the "no dumb questions" rule.
- Where appropriate, ask people to write their ideas first and then discuss.
- Laugh, play, make it fun.
- Allow members to draw their own conclusions.

Dealing with Conflict

Successful retreats sometimes involve dealing with some disagreement, dispute or difference of opinion. If no conflict emerges, chances are participants aren't being honest with themselves or others, or the retreat has focused on issues that aren't of great concern to them.

Conflict is a natural part of all human relationships and a dynamic in all group settings. When treated as an opportunity for growth and creativity, it can be a positive experience leading to great outcomes. Don't ignore or dismiss it. Instead, find ways to manage conflict so that it can be explored openly.

Here are some steps for handling conflict as it arises:

- Distinguish between healthy disagreements and inappropriate levels of conflict—for example, do disagreements generate good discussion or impede the meeting's effectiveness?
- Name the source of the conflict as you see it and ask the group to do the same—for example, conflict may come from miscommunication, different needs or interests, differences in values or beliefs, or an ineffective structure.
- Refer back to the ground rules and any that are relevant to conflict—examples might include "attack the problem, not the person," "no interrupting," "speak your truth," etc.
- Look for common ground, such as desiring a good workingrelationship, meeting the mission, serving the community, etc.
- Affirm that it's okay to have different values and opinions.
- Take a break—when it seems the group is getting nowhere, take a short breather for everyone to restore calm.

A Little Humor Goes a Long Way

People learn best in an environment that is friendly, informal and often humorous. Humor can be a great way to alleviate any tension that arises in a group situation. A good laugh can clear the air and help everyone refocus on the task at hand. It can also be used to build rapport among members, making the retreat or meeting both effective and fun. Need some tips for using humor at meetings? Try including cartoons in the board handbooks or start each meeting with a playful icebreaker. (See www.meetingwizard.org for ideas.)

Conflict: What the Experts Say

Here's how expert facilitators handle group conflict when it arises:

"I try to name the conflict in a way that will engage the group to talk about it, instead of heightening the group's tendency to avoid it."

—Denise Cavanaugh, Cavanaugh, Hagan & Pierson Inc.

"If conflict is simmering below the surface, it pays to check in with various people throughout the day, to keep them calm and empathize with them. Overall I try to keep it light, call a break whenever necessary. Whether I help them resolve their conflicts or simply accept them and move on depends on where the constituencies in the room will allow one or the other. It's up to them."

—Brent Toleman, Strategies Inc.

"If conflict erupts, sometimes you need to call a recess—where you ring the bell and tell everyone to go to their separate corners. This lets everyone calm down. Before they come back to the group, I ask people to put negatives into positive language."

—Anne Hodges Morgan, Philanthropy Consultant and Trustee

Samples

Retreat Agenda—One Day

Adapted from the Tauck Foundation

> **Principle VIII**
>
> Our governing board respects donor intent and later generations' interests while also considering the demands of a changing world.
>
> **Principle IX**
>
> We plan for family leadership continuity.

TAUCK FOUNDATION SPRING RETREAT

Saturday, May 21, 8:30 a.m.–4:30 p.m.

8:30–8:45	REVIEW OF AGENDA & GOALS
8:45–10:45	SHARING PERSPECTIVES ON PAST 5 YEARS & FUTURE

DIRECTIONS

10:45–11:00	BREAK
11:00–12:30	BRAINSTORM GOALS FOR YOUTH GIVING
12:30–1:30	LUNCH
1:30–2:30	REFINING OUR GIVING FOCUS/GUIDELINES
2:30–3:30	ENGAGING THE NEXT GENERATION
3:30–3:45	BREAK
3:45–4:30	FUTURE OF FOUNDATION/FAMILY GIVING—NEXT STEPS

New Member Orientation Retreat

Adapted from Retreats That Work: Designing and Conducting Effective Offsites for Groups and Organizations, *Jossey-Bass/Pfeiffer, 2003*

Location: Doubletree Hotel Conference Facilities

Date/Time: August 15, 20XX, 8:30 a.m.–7:30 p.m.

Objective: To introduce new members to the foundation, its current trustees and board processes

> **PRINCIPLE II.E.**
> Provide comprehensive orientation and training for governing board members.

8:30 a.m.	Breakfast
9:00	Welcoming remarks Chair introduces board members, executive director and facilitator Veteran trustees introduce background and history of the organization Questions and answers
10:00	Executive director introduces overview of program, grant guidelines, grantees and staff structure Questions and answers
10:45	Chair presents board member responsibilities and role of the board Clarification of expectations Group activity/small group discussion
12:15	Lunch
1:30	Introduction to teamwork; role playing
2:30	Coffee break
3:00	Legal counsel presents legal and fiduciary duties
3:45	Chair presents board processes and structure
4:30	Wrap-up; questions and sharing of first impressions
5:00	Free time
6:00	Gathering for social dinner Guest speaker on good governance

CHAPTER 6
Next Steps

"Every retreat should have a paper trail and a work plan."

—Denise Cavanaugh, Cavanaugh, Hagan & Pierson Inc.

Creating an Action Plan

As with any meeting, it's important to properly "wrap up" what happened at the retreat and create a plan for what will happen next.

Before ending the retreat, the facilitator should guide the group toward a specific—and significant—plan of action. This can be one of the most challenging parts of the retreat. A group often needs to make tough decisions to focus their future work, while acknowledging and valuing the wide range of opinions and suggestions that came out during the retreat.

Developing an action plan can take several hours, so be sure not to hold it to the last few minutes. At this point, you'll be getting toward the end of the retreat and everyone's energy will be waning. Remind the group that there is still important work to be done.

IN THIS CHAPTER

- Create an action plan for next steps.
- Assess the effectiveness of the retreat.
- Distribute a meeting summary.
- Reinforce retreat outcomes.
- Learn from your colleagues.

The best way to capture what needs to be done is to record ideas on a flip chart or notepad throughout the retreat. "If done well, there are flip-chart records that document specific decisionmaking along the way," said retreat facilitator Brent Toleman. "At the end of a retreat, I list key elements around what the group has coalesced on and key problems to work on. This is the basis for creating the plan."

Ideally, there will be a collective sense of next steps at the closing of a retreat, and the group will need to delegate responsibility. If appropriate, assign action items to standing committees or form new ones to work on special tasks.

It's critical that board members feel committed to the next steps that evolve from the retreat—even if their personal suggestions are not fully represented in the final action plan. The board may have to rank its priorities in order of importance. A simple ranking exercise can help. For example, list various ideas on a flip chart and give participants three self-sticking dots (available in any office supply store) to rank their top priorities.

When everyone has finished posting the dots, the group will easily be able to see the items ranked the highest. Invite participants to share reasons for why they voted the way they did.

As the board is deciding its priorities, consider these factors:

- Potential impact on mission and goals
- Potential impact on the community
- Interest in (or enthusiasm for) the action

- Time required
- Resources needed.

Keep in mind that it's far better to leave a retreat with a few well-thought-out initiatives and an agreement on how the board will achieve them than with a long drawn-out list of detailed action steps people will hardly remember.

A simple action plan is often the best action plan. Here's an idea: On a large piece of paper, create four columns with the headings: "What," "By Whom," "By When" and "Why Is It Important?" Use this chart to generate a list of actions and individuals committed to those actions. Generate discussion for the action plan by asking the group:

- What results do we want to achieve? Why?
- What needs to be done to achieve the result?
- Who will commit to each specific task to achieve the result?
- When will these tasks be completed?
- What obstacles must we overcome to achieve each task?
- How will we know that we have achieved the result?

It's important that an action plan focus on *real* action—not just a plan to think about more actions. Remind the group that their answers should be brief but clear. Try to get members to specify tasks and commitment that will lead to meaningful change.

Peer Practice:

Seeing the Big Picture—Principle III.C.

"We recently held a focused meeting where we did a strategic review of every program. I put up a poster for each program we do with its name, history, amount of funding and grant focus. I literally hung them up on the wall and gave members a hard copy as well.

I placed all the programs on an imaginary continuum—between purely philanthropic and purely strategic. Trustees actually got up and moved some of them around. It was the first time the board had ever looked at the big picture. They came to the conclusion that it's not good for any one program to fall too much in either extreme. The chart remains in our conference room even today, and in subsequent meetings we were able to refer back to it. It has helped our trustees begin to lead the conversation."

—Chris Park, President, Lucent Technologies Foundation

Tip: Using a Flip Chart

This will save you time. If the retreat lasts longer than a day, review and consolidate the flip-chart notes at the end of the first day. Post the summary on the wall for day two. You can then refer to these points when developing an action plan.

Assessing the Retreat

At the end of the meeting, go back to the beginning. Take a look at the intended purpose for the meeting and assess how close the group came to getting there. Some facilitators end retreats with a closing exercise that allows the group to reflect on the work they've done together. For example, the facilitator might distribute a copy of the Stewardship Principle(s) addressed at the retreat and ask the group to rate what has changed because of the retreat. The facilitator should draw some conclusion as to what was covered during the meeting and end on a positive note—making participants feel that their time was well spent.

If you've done a good job at defining success up front, then it will be easier to measure the results once the retreat is over. Still, you will want to hear from participants to learn what they thought about the retreat.

After the retreat, ask trustees to evaluate the meeting's effectiveness. You might prepare a simple questionnaire that you pass out at the end of the retreat or e-mail to them shortly after. Consider asking questions such as:

- What Stewardship Principles did we address at the retreat?
- Was the time used well?
- Did we accomplish what we said we would?
- How did the materials you received in advance help you prepare?
- Did the retreat start and end on time?
- How well did we work together? What could we have done better?
- What else do you wish had happened at the retreat?
- What was your impression of the facilitator?
- How often should we hold a retreat/meeting like this?
- What would you like to see on the next agenda?

Assessment is important—it helps you understand how the experience went for everyone involved and will help you when you're ready to plan the next retreat. It may also pinpoint areas that need further clarification or follow up.

Following Up

Most people leave a retreat or meeting with big intentions to do what they said they would do. In the moment, though, they may forget how many other commitments they have waiting for them. After the retreat is over, how do you follow up and keep everyone advancing?

You can remind members what was accomplished during the retreat—and more important, what still needs to be done. Here are some ideas:

Immediate Follow-up

In the days immediately following the meeting, contact board members who have been assigned tasks. Remind them what they agreed to and when it is due. Some boards prepare and distribute a sample "task sheet" for trustees between board meetings, reminding everyone of their interim responsibilities. Others send simple e-mail reminders.

Meeting Summary

Prepare a meeting summary and distribute it to all meeting participants and to any key staff who did not attend. If you hire an outside facilitator, sometimes they will prepare the summary for you (depending on your initial agreement).

Keep the summary short (one or two pages), listing only the important highlights—the who, the what and the what now. You might start the summary by listing the intended outcomes stated before the meeting and indicating which of those outcomes were met.

It's important to write and distribute the meeting summary quickly, while the retreat is still fresh in everyone's mind. Try to distribute it within two or three weeks of the meeting. Remember, a simple record of what happened is far better than a play-by-play transcript that takes months to produce.

A useful structure for the meeting summary might be:

- **Key decisions**—Include the next steps that everyone agreed upon and the strategies for achieving them. This should be short, clear and easy to read.
- **Action steps**—Provide a detail of what people will actually do: Who will take what action and by what date. You may want to put the action steps into chart form making it easy to track assignments. (See sample at the end of this chapter.)
- **Pending items**—List those topics that were not fully discussed or resolved. These can go on an agenda for a future meeting or retreat.
- **Flip-chart notes and handouts**—Record words from flip charts created at the retreat and include copies of any important handouts. This gives members a chance to go back to review the details of various discussions.

Peer Practice:

Peer Practice: How Often Should You Hold a Retreat?

"My goal is to continue to devote one of our annual meetings each year to non-grantmaking topics and to have a full-day or multiday retreat every three years. This would give us meeting time between retreats to focus on big picture issues and reflection, but would still allow the 'retreat mode' to be special, strategic, long-term planning, etc. I would like to continue to use the Stewardship Principles as an objective measure of our work, most likely in preparation for or as part of retreats in the future. So, we will likely come back to the principles and measure our progress against them every three years or so."

—Liz Tauck Walters, Managing Director, Tauck Foundation

Giving Positive Reinforcement

A successful retreat can be a great experience for everyone involved. Your board members will leave feeling fresh, excited about new initiatives and inspired by the collegial spirit.

But what happens when a few months pass? All the energy and commitment may fade, and the board may be feeling lackluster once again.

When the bubble of the retreat environment bursts, sometimes the group is left with post-retreat letdown. Here are some ways you can keep members engaged over the long haul.

- **Provide retreat mementos**—A useful or decorative memento can serve as a reminder of the retreat. It might be a photo of all the members, a scrapbook from the retreat or something simple like a coffee mug or desk ornament.
- **Send out periodic post-retreat updates**—Schedule regular times to e-mail the board updates from the action plan or reports from different committees. Refer back to the events and outcomes from the retreat. Consider reporting on the status of action items as a standing agenda item at future board meetings, even if only in a written report.
- **Acknowledge accomplishments**—Look for ways to reward individual board members or the group as a whole for the extra effort they made. Talk about achievements during board meetings. Send e-mails and personal notes to everyone who contributed.
- **Make connections**—Even when the retreat is said and done, you can continue to connect your daily work to the learning that took place there. Remind your members to keep the big picture in mind. Relate what you do to a larger purpose and to the Stewardship Principles available in the field.
- **Post flip charts**—Remind members of what happened at the retreat by posting some of the key flip-chart notes at future meetings.
- **Plan a follow-up meeting or retreat**—It's never too early to start thinking about the next retreat.

One final word of advice: Aim for your foundation to be a success, but understand that no retreat is necessarily a cure-all or a miracle maker. Retreats are a means to an end and not necessarily a one-time event. Don't expect to transform your board or foundation's programs overnight. *Do* expect to celebrate where you are in relation to the Stewardship Principles and to enjoy more clarity in your governance, management and grantmaking.

> *"Retreats are fun. Everyone looks forward to them. When you talk to one another in a way that you usually don't, you can learn a lot."*
>
> *—Bill Conrad, Executive Director, Stackpole-Hall Foundation*

Peer Practice:

Retreat Scrapbooks

"During the retreat, we took photos of the board members working together during the group exercises. We put the photos together in a book, along with the notes from our flip charts, and distributed it to everyone who was there. This will give trustees the opportunity to relive the retreat. I look through it myself every few months and it helps me recap what was accomplished."

—Caroline Sabin, Executive Director, Powell Foundation

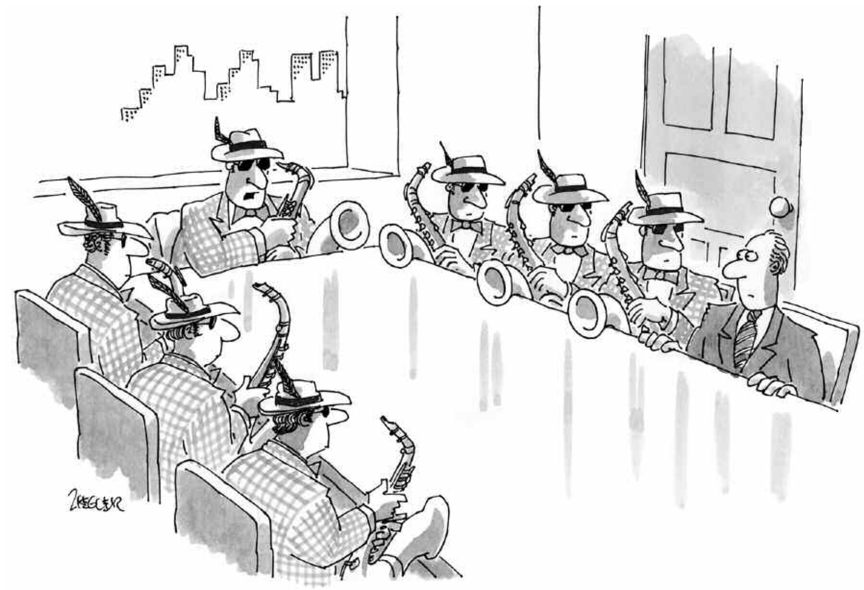
Lessons Learned

Retreats can be dynamic and inspiring milestones on your foundation's path to change. They help you use the Stewardship Principles in a way that they were intended—as a vehicle for you to celebrate what you do well and to identify what you can do better.

Here are some final words that your colleagues have shared that will help you design a successful retreat:

- **Take time to plan ahead.** The more you prepare for the retreat or meeting, the more successful it will be.
- **Find the right facilitator.** Be selective in whom you choose. Make sure they fit with your foundation's needs and culture.
- **Introduce the idea of a continuum.** No foundation does everything perfectly. Challenge your board members to move the foundation forward on the continuum of "doing more things right."
- **Bite off only what the board can chew**. Don't try to do too much in one retreat. For example, focus on one or two Stewardship Principles the board has chosen as its top priorities, instead of all of them at once.
- **Pat members on the back.** Start the retreat or meeting by celebrating what the board already does well. They will be much more likely to respond to change if they feel good about it.
- **Similarly, don't beat the board over the head with what's going wrong.** Speak in terms of what's going well and what they wish was going better.
- **Focus on the options available.** Use the Stewardship Principles to introduce *options* for best practices and to show the board what works for their peers.
- **It's okay if you don't get as far as you hoped.** Remember, retreats are a work in progress. You might not get every aspect of the planning or the follow-up right the first time. Remember to include enough time to do what you need to do—but if it doesn't get done, there's always the next retreat.
- **Connect with others in the field.** There is plenty of support and advice out there. Contact the Council on Foundations to help you find your peers.
- **Lift the work up to a higher level.** Remind your members that this is the beginning of a continual process to improve governance. Even the most mundane work on internal processes enhances your own foundation's accountability and by extension the entire field.

You are now on your way toward principled planning. Best of luck.



"Damn it, Hopkins, didn't you get yesterday's memo?"

For Your Next Board Retreat

The Stewardship Principles are an excellent springboard for discussing and formulating new policy and procedures. This "short list" highlights key focus areas and ensures that the whole board, not just select individuals, fully understands the issues, policies and values presented. For your next retreat, consider one or more of the following based on your board priorities:

- Formulate or review the foundation's mission, values and goals (Principle I).
- Assess grantmaking procedures and the impact of grants (Principle III).
- Evaluate the effectiveness of the board (Principle I).
- Establish or review fiduciary, investment, self-dealing, expense and conflict-of-interest policies (Principle IV and V).
- Assess the foundation's exposure to risk and liability—include internal controls, recordkeeping and D&O insurance (Principle IV).
- Post the foundation's history, mission, grant procedures, grant recipient list and financial statements online (Principle VII).
- Seek grantee, applicant and peer feedback on the foundation's performance (Principle VI).
- Teach young family members about the foundation and giving (Principle IX).

Meeting Summary/Action Plan Template

Adapted from Retreats That Work: Designing and Conducting Effective Offsites for Groups and Organizations, *Jossey-Bass/Pfeiffer, 2003*

Meeting of the XYZ Foundation
Board of Directors

Date:

Location:

Purpose:

Present:

Decisions:

Because of this meeting, the board agreed on the following action steps

1)

2)

3)

Follow-up Action Items:

These members agreed to work on the above action steps as follows:

What	By Whom	By When

Board Retreat Evaluation

Adapted from Self-Assessment of Foundation Boards, *www.boardsource.org*

To help us assess and improve the quality of the board retreat, please take a few minutes to complete this questionnaire and return it to the retreat facilitator. Thank you for your time and assistance.

Retreat: **Date:**

1. In what ways was the retreat useful in helping you
   a. Identify important strengths of your board?
   b. Identify areas of operation or governance that need improvement?
   c. Clarify your understanding of the board's major responsibilities?
2. What were your expectations for the retreat?
3. Were your expectations met? How or how not?
4. What was the most valuable or productive part of the retreat? Why?
5. What was the least valuable or productive part of the retreat? Why?
6. Please rate the retreat in each of the following areas, 1 being negative, 4 being positive:

Preparation	1	2	3	4
Organization	1	2	3	4
Appropriateness of Agenda	1	2	3	4
Facilitation	1	2	3	4
Allocation of Time	1	2	3	4
Overall Effectiveness	1	2	3	4

7. On the basis of this process, what specific steps do you think the board should take in the next three to six months?
8. Additional comments or recommendations?

Developing a Travel Policy

Written by Jane C. Nober, Special Counsel to the Council on Foundations

Under the rules applicable to private foundations, directors or trustees and staff members may be reimbursed for reasonable and necessary expenses incurred in connection with the foundation's charitable activities. Such expenditures fall under the heading of administrative costs and will generally count toward the foundation's minimum distribution requirement, or payout.

What are "reasonable and necessary" expenses? They are expenses that are necessary for the foundation's operation and reasonable in amount. If that definition does not clarify the issue for you, do not feel alone; determining what appropriate expenses are is difficult and depends on assessment of the foundation's activities and finances and the role that employees and directors play. Remember, too, that what seems reasonable and necessary to one group of people may seem stingy or lavish to others. We often suggest that foundation managers consider whether they would feel comfortable justifying a particular expenditure to board members, the IRS, a state attorney general or the local newspaper before they undertake it.

Difficult as it may be, however, it is important to develop—and stick to—clear foundation policies on expenses. State regulators tell us that when they examine a foundation's expenditures, they look for evidence that foundation managers have thought about the various areas in which expenses arise and have developed a reasonable policy to guide spending. Following are some of the questions that may be raised when considering what administrative expenses the foundation will cover for employees and directors who travel on behalf of the foundation.

Meeting Locations

Meetings should be planned at sites that are convenient, economical and conducive to the work being done. The foundation may wish to set a maximum hotel room rate and provide parameters for appropriate on-site meal prices. If foundation personnel travel frequently, the foundation may wish to negotiate for discounted rates with a certain hotel chain or in a particular city. As telecommunications capabilities increase, we can expect more meetings to take place without all participants being physically present—a potentially cost-saving development.

Airline Travel

Many corporations insist that their employees fly coach class absent very special circumstances. Are there any circumstances under which the foundation's employees or directors should fly other than coach? Some factors to consider may include the length of the flight or whether the employee or director has a medical condition that requires him or her to have more space.

Should the policy encourage travelers to stay over on Saturday nights or take other measures that decrease fares? Does the foundation wish to require that all travelers make arrangements through a limited number of agencies so costs can be monitored?

Ground Transportation

What methods of ground transportation will the foundation permit? Should travelers be encouraged to share rides? What will the foundation pay if an individual drives his or her own car? (The mileage allowances provided annually by the IRS may be a good guide.)

Spouse Travel

In general, spouse travel expenses may not be charged to the foundation (exceptions arise when the spouse is also a foundation employee or is performing necessary services for the foundation). Indeed, paying spouse travel expenses will in many cases be an act of self-dealing for the foundation unless treated as compensation to the foundation managers. A travel policy should set forth circumstances in which it will be permissible to include spouses in foundation events and how expenses are to be handled.

As expenditure by charities come under heightened scrutiny from federal and state authorities and the press, foundations can contribute positively to the charitable sector's image by stressing their tradition of responsible and effective philanthropy. Carefully considering how charitable dollars are spent is part of that effort.

Resources

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