

Case Study Research
Public Health Grants: Exploring Grant Criteria
Within Public and Private Foundations in Austin, Texas
by
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ABSTRACT

This applied research project looked at the grant criteria commonly used to make funding decisions within public and private foundations in Austin, Texas. Eight executive directors, program officers, and/or board trustees from eight community health foundations were interviewed. The goal was to extract information about the requirements, qualities, and characteristics each foundation considered the most rewarding for a non-profit organization requesting funding.

Some of the foundations interviewed funded multiple initiatives, with public health being the common thread amongst them all. Interviews were conducted from September 8 to September 29, 2006. Document and archival data analysis and structured interviews with foundation officers provided evidence that either supported or refuted the five working hypotheses developed to determine the most desirable grant criteria within public health foundations.

The findings were in favor of each set of working hypotheses. Most of the public health foundations were created with a set of focus areas in mind to fund non-profit public health initiatives in the same field of expertise (WH1 : FOCUS AREAS). Most of the foundations exist to fund unmet social needs and often give preference to grant applicants who are able to communicate the scope of the unmet need in the community (WH2 : SOCIAL NEED).

The majority of the public health foundations want to have a significant impact on improving the health of Central Texans (the Austin area) and prefer grant applicants to provide proof of impact if funding needs are met (WH3 : IMPACT). The majority of the public health foundations looked highly upon sustainability within the organization and required grant applicants to provide proof of outside funding and collaborative efforts (WH4 : SUSTAINABILITY). Finally, an overwhelming number of public health foundations required grant applicants to exhibit sound financial practices and appropriate financial documents to prove the organization's financial accountability (WH5 : FINANCIAL ACCOUNTABILITY).

CHAPTER 1: IMPROVING THE GRANT PROCESS

INTRODUCTION

This applied research project (ARP) uses theory in the form of hypotheses and sub-hypotheses to explore ways of improving the granting process for both grantors and grantees. Using these hypotheses to form a case study with in-depth, structured interview questions allowed this research to yield practical, realistic results that any grantor or grantee may utilize within the modern day grant process.

The intent for this applied research is to act as a resource for grantors to improve the granting process in the areas of Letters of Inquiry (LOI's), Requests for Proposal (RFP's), and grant applications. For grantors, the clearer the expectations and requirements of the grant application, the more streamlined the granting process becomes.

It is also the intent of this applied research project to act as a resource for grantees to improve the grant application process in the areas of grant proposals, interviews, and site visits (where applicable). The grantee is able to do a better job of crafting the grant application to match the interests of the foundation when grant requirements are less ambiguous, when the expectations of the foundation are clearly stated, and when the grantee has sufficient knowledge about the priorities of the foundation.

Several non-profit organizations that provide worthy, much needed services find the grant process confusing and frustrating. Likewise, many foundations receive grant requests for money and spend hours and weeks pouring over stacks of requests only to find that many of these requests were ill-conceived. The grant applicant submitted a request to the wrong foundation (outside of the focus area of the grant applicant) or at the wrong time (outside of the RFP deadline).

Literary Significance

This research paper is important to public administration because streamlining the grant application process to reflect the most pertinent grant criteria is invaluable to the granting organization, i.e., the foundation – it saves on both time and resources, and it ensures the foundation that its donor dollars are being used most efficiently and within the foundation's focused areas of need.

In Thomas J. Billitteri's (2005, 1) *Money, Mission, and the Payout Rule: In Search of a Strategic Approach to Foundation Spending*, Billitteri's working paper emphasizes the need for foundations to engage in a more strategic examination of how payouts can better match individual foundation missions (Billitteri 2005, 1). From this point of view, clarification of the granting criteria most commonly used results in grants to organizations whose missions are more commonly aligned with those of the granting foundation.

This research is also pertinent to the field of public administration because the more the grantee understands the expectations of the foundation, the easier the grant application process becomes. In addition, if the grantee becomes acquainted with the topics the foundation deems most important, this could potentially increase the chances of the grantee receiving funding.

Research Purpose

Developing a research paper that clearly defines the most sought-after granting criteria is particularly useful for those public charities that do not know the essentials of granting. It is also useful in public health grantor-grantee¹ relations because it can serve as a catalyst for change in the grant application and grant proposal process. **Therefore, the purpose of this research is to explore the granting criteria most commonly used by public and private foundations that fund public health initiatives in the Austin, Texas area.**

This applied research project explores granting criteria within foundations that fund direct health-related services as well as health-related research. Furthermore, this project

¹ For purposes of this research, any non-profit organization applying for grants will be referred to as the 'grantee.'

explores these areas within foundations in Austin, Texas as well as foundations outside of Austin, Texas that fund Austin area public health initiatives.

Babbie refers to sociologists Anselm Strauss and Juliet Corbin when using the image of theory as consisting of “*plausible* relationships proposed among *concepts* and *sets of concepts*” (2001, 359). Babbie (2001, 359) states that the word *plausible* is stressed here “to indicate that theories represent our best understanding of how life operates. The more our research confirms a particular set of relationships among particular concepts, however, the more confident we become that our understanding corresponds to social reality.” Therefore, the goal of this research paper is to produce practical results that correspond as closely as possible to social reality.

Duality of the Research

There is an old adage that states, “Knowledge is power;” which simply suggests that there may actually be an intrinsic energy in the sheer fact of just “knowing” something. The old adage is right; there is a definite power in knowing what others do not. The duality of this research serves the purpose of educating grantors and grantees alike.

Grantors are always looking for ways to fund meaningful, worthwhile projects that fit within the foundation’s areas of interest. A lot of time is spent pouring over mountains of applications, just to find in the end that a great many of these applications end up in the garbage simply because the applicants do not fall within the foundation’s guidelines (Allison Supancic, Head Librarian for the Hogg Foundation for Mental Health). By improving the grant process in the areas of LOI’s, RFP’s, and grant applications, the grantor is able to communicate the foundation’s expectations a lot more clearly, thereby streamlining the grant process.

It is also the intent of this applied research project to act as a resource for grantees. By learning how to improve grant proposals, personal interviews, and potential site visits, the grantee is able to do a better job crafting the grant application to match the interests of the

foundation. When grant requirements are less ambiguous, when the expectations of the foundation are clearly stated, and when the grantee has sufficient knowledge about the priorities of the foundation, it places the grant applicant in an ideal position to produce award winning proposals.

Developing a research paper that clearly defines the most sought-after granting criteria is particularly useful for the grantees that do not know the essentials of granting. It is also useful in public health grantor-grantee relations because it can serve as a catalyst for change in the grant application and grant proposal process.

The following chapter provides a comprehensive view into the literature on foundations and the grant process. The next chapter also discusses effective granting and highlights the purpose of the grant.

CHAPTER 2: LITERATURE REVIEW

Purpose

Conceptually, nonprofit foundations hold two purposes: 1) to satisfy an unmet social need within the community, and 2) to act as public stewards with donor dollars by funding meaningful projects for the betterment of society. As a bonus, these nonprofit foundations are awarded the ability to function as a tax-exempt entity. The mere size and growth of nonprofit foundations makes the foundation a very powerful force in the American economy.

According to author Andy Robinson:

We [the U.S] have seen an explosion in the number of nonprofits, especially groups with the 501(c)(3) tax status required to receive most grants. According to the National Center for Charitable Statistics, we now have an astounding 1.35 million nonprofit organizations in the United States, including 870,000 groups with 501(c)(3) designations (The National Center for Charitable Statistics as cited in Robinson 2004, 2).

The state of Texas alone is home to over 54,000 501(c)(3) charitable organizations with only 6,279 private foundations to assist in supporting them (National Center for Charitable Statistics 2004²). Unfortunately, there are many nonprofits organizations that do not know why these foundations exist or how they operate much less the history behind their inception (interview with Allison Supancic³). Grant seeking organizations can benefit by understanding the critical role foundations play in society.

Although foundations are charitable entities, they rarely provide direct services to the public. Rather, foundations fund the activities of other nonprofit organizations that perform the work. Foundations receive donations from charitable contributors and go about the business of distributing these funds to other nonprofits that have direct contact with the community.

² *The National Center for Charitable Statistics* offers the most current statistics up to 2004; 2005-2006 is currently unavailable.

³ Allison Supancic is the Head Librarian for the Hogg Foundation for Mental Health, August 2006.

In order to receive the foundation's funding, nonprofit organizations should ask the following questions: How do grant seeking organizations apply for funds from the foundation? How should these organizations approach the foundation? What should the nonprofit organization do to obtain the foundation's trust? What should the nonprofit organization keep in mind when writing a grant proposal? These are the types of questions grant seeking organizations should ask themselves. Failure to respond to these questions could jeopardize the very existence of the grant seeking organization (Furnari, et al. 2005, 5).

Therefore, the purpose of this chapter is to explain the function and procedures of public and private foundations. This chapter highlights the benefits of effective granting and the need for focus-driven foundations. It also highlights the purpose of the grant and the problems that exist in the nonprofit to foundation ratio. The duality of the grantor/grantee relationship is also examined therein.

Creating Effective Grants

Most foundations strive to place added value in the communities in which they operate. This is normally accomplished in many ways. "However, the bottom line question for all donors is: 'What is the most effective use of our funds?'" (de Borms 2005, 53)

Various authors have theorized about how to achieve effective granting throughout the years, but the main theme running throughout every piece of literature is how to embrace even more effective granting (de Borms 2005, 53). De Borms (2005, 54) argues that the focus should not be on the role of the foundation, but rather the impact the foundation is having on the community:

It is time to shift the debate about whether foundations should be granting or operational, active or proactive (some prefer to label themselves as "responsive"), to how they can become more effective, strategic actors and value-added partners in their communities and, in some instances, on the world stage. (de Borms 2005, 54)

One key to effective granting is diversification amongst the decision makers. Intentional placement of diverse ages, ethnicities, socio-economic status, gender, and backgrounds on the boards and committees of these foundations is imperative to achieving effective granting. Some foundations have become increasingly aware of the need to diversify the people involved in granting decisions. “Opening up a foundation’s decision making structures shares power and makes the granting process more accessible” (Furnari, et al. 2000, 35).

Furnari, et al. (2000, 35) examined the process foundations use to expand the diversity of their decision-makers to include “previously unrepresented sectors of the community.” The foundations’ analysis included paying attention to racial, ethnic, and gender composition, as well as age, sexual orientation, and class. It also included involving members of the recipient community to act as “voices of experience” with an insider perspective (Furnari, et al. 2000, 35). As Furnari, et al. (2000, 35) note, “greater diversity among decision-makers will strengthen granting programs.”

Another way to discover if an organization is functioning effectively is through organizational evaluations. The decision to conduct an organizational evaluation is a tough one, as it uses up precious resources that could otherwise be used to fund a potential grantee. Nevertheless, an evaluation signifies a commitment to strengthening future goals and objectives (Furnari, et al. 2000, 67).

The most thorough evaluation includes an overall analysis of the granting organization and its policies and procedures, including an assessment of the organizations funded and the impact of the grants (Furnari, et al. 2000, 67). “Evaluations that are structured to get honest, constructive feedback provide grantors with valuable input to enrich granting programs, better serve their target populations, improve granting programs, and stimulate good planning (Furnari, et al. 2000, 67).

The grantors interviewed in the study conducted by Furnari, et al. (2000, 76) indicated that their organizations are starting to incorporate a more strategic approach to their work. And while some foundations value the intricacies of such an evaluation, others view it as a waste of valuable resources: “The effort to determine *effective* granting strategies in an era of limited resources is part of an ongoing debate at many foundations” (Furnari, et al. 2000, 76).

The next section examines the importance of the RFP (Request for Proposal), the different types of RFP’s that are available, and the makings of a good grant proposal. It also describes one of the most critical elements an RFP may (or may not) require of the grant applicant – the site visit.

Free Money Anyone?

Grants provide non profit organizations with funding that allows the organization to administer public services to the community. This is virtually free money – free of interest, free of payments, free of charge. Once the foundation grants funds to an organization there is no expectancy of repayment. The organization is free to use the money in whatever way the organization deems necessary. There are, however, certain requirements the organization has to meet before the foundation approves the grant. These requirements are listed in the Request for Proposal, or RFP.

The RFP acts as an invitation to submit a proposal for funding. The RFP outlines the criteria needed to apply for funding along with important dates and deadlines for submission. The foundation then goes through a selection process whereby it chooses the strongest proposals amongst the applicants (Orosz 2000, 246).

The use of RFP’s is common practice in the granting process. The foundation uses RFP’s to select grantees. RFP’s begin a very competitive process by which the grant applicant provides proof to the foundation that the grant applicant is worthy of the funds.

There are normally two ways foundations accept RFP's. The first is a process whereby board members and experienced advisors bring a list of grant seeking organizations to the decision making table based on the grant seeking organization's history and reputation in the community. Only the organizations that make it onto this 'invitation only' list are invited to submit a proposal to the foundation. Once this is done, the foundation sends out a Request for Proposal to the grant seeking organization. The grant seeking organization in turn submits a funding proposal back to the foundation.

The second way foundations typically accept RFP's is through an open application process. Under this system, any grant seeking organization that falls within the guidelines specified by the RFP can submit a proposal for funding. The open application process is a much more democratic and open ended way of accepting grant proposals, and because of this, many foundations are increasingly deferring to the open proposal process more and more (Robinson 2004, 27).

Grant proposals are an important part of the granting process. Without the grant proposal, a foundation would be incapable of determining whether an organization is worth funding. The proposal process has a strict timeline that must be followed – the grantee has deadlines for submitting the proposal, the foundation has deadlines for recommending the proposals to the board, and the foundation has a deadline for awarding grants to the organizations (Orosz 2000, 67).

Grant proposals come in various formats. No one proposal is made alike, but each proposal has a similar format. According to Robinson (2004, 98), "most proposals should include the following building blocks":

- **Cover letter** – the cover letter serves as a friendly introduction and helps to establish rapport between the organization and the foundation (Robinson 2004, 125)
- **Cover page and executive summary** – this section contains the title of the project, submission date, beginning and ending dates for the project, total project budget, amount requested, contact persons and phone numbers for the organization, and a brief summary describing the need and the organization's proposed activities to address the problem (Robinson 2004, 99).

- **Organizational history, structure, and constituency** – this section describes the organizational mission, constituency, goals, and accomplishments. The overall goal here is to describe why the organization deserves the foundation’s support (Robinson 2004, 100).
- **Problem statement** – evidence of an unmet need in the community. What is the current situation? How did it get that way? What is the relevant background on the issue, the constituency, the local scene? Why is the organization’s proposed action necessary? (Robinson 2004, 103)
- **Strategy and implementation** (also called methods, tactics, or activities) – this is the nuts and bolts portion of the proposal where the organization presents a detailed plan for creating change (Robinson 2004, 111).
- **Timeline** – this describes when the organization’s goals will be met (Robinson 2004, 113).
- **Evaluation** – this section is the place where “the difference” the organization has made is defined, counted, and weighed. This section is designed to measure the success of each of the organization’s objectives (Robinson 2004, 115).
- **Personnel** – brief biographies of the main project organizers or key volunteers (Robinson 2004, 116).
- **Budgets** – for some grant viewers, the budgets are the most important pages in the grant application because many otherwise fine proposals do not get funded due to the financial documents being unclear or unrealistic (Robinson 2004, 116).
- **Attachments** – funders sometimes require extra materials with the grant proposal such as a copy of the Internal Revenue Service tax-exemption letter, a list of board members, and/or a brochure or newsletter (Robinson 2004, 119).

Once the proposals have been reviewed, and the foundation has hand picked the organizations to be considered for funding, the next step the foundation may take is to conduct a site visit. Site visits are a critical part of the decision-making process. These “in-person meetings” are normally performed by members of the board and the executives of the foundation. The foundation’s board members and executives perform on-site visits to the nonprofit groups’ facilities where the actual services are delivered. Furnari, et al. (2000, 23) state that “the opportunity for site visits...plays a crucial role in determining who achieves funding. Site visits help nonprofit groups build their cases and establish valuable relationships with funders.”

In order to get the most out of each site visit, it is important for board members to listen to what the grant applicant has to say about the organization, the organization's area of need, target population, any benchmarks or goals the organization has met, and an explanation of what the organization plans to do with the money (Furnari, et al. 2000, 26). According to Furnari, et al. (2000, 26), "site visits have a valuable educational component....as soon as board members leave their environment and engage with grantees who speak eloquently for themselves, they 'get it'". It is at this point the board member can make the connection between who and what the foundation is funding and the impact the funds will have on the organization and the community.

The operations procedures of the foundation determine who conducts the site visits. Some foundations require staff to conduct site visits to potential grantees, others encourage board participation, and still others hire consultants. "At the Bert and Mary Meyer Foundation, site visits are considered an important part of relationship building. Board members conduct 80 percent of the site visits and consultants conduct 20 percent" (Furnari, et al. 2000, 23). But no matter who conducts the site visits, the central theme that runs rampant throughout most foundations is the same – all applicants must meet the foundation's criteria before a site visit is conducted and a decision is made (Furnari, et al. 2000, 23).

Needs-based Criteria

When foundations use needs-based funding they seek to fund organizations that cater to the needs of the community. They begin by asking questions such as: In what area of society is there a largely unmet social need? Is there a lack of support within this area? How would the foundation's support bring about social change? How many people are affected and to what extent? The purpose of the query is to develop grant criteria based on need.

The idea of a needs-based approach to charitable giving has been strongly debated throughout the years. For some, it means providing an endless supply of benefits for mankind

– food for the poor, medicine for the sick, shelter for the homeless. For others, it means investing in human capital.

The term ‘human capital’ was first coined by Theodore Schultz, an economist and Nobel Laureate at the University of Chicago. “The idea behind human capital is that people are factors of production, and that investment in their skills can increase the return to labor in the same way that an investment in physical capital can increase productivity” (Holcombe 2000, 71). No matter what approach is used, the foundation’s overall intention is to meet the needs of society while making the best decision for everyone involved.

According to Schneider, et al. (2005, 1), “not-for-profit institutions face a growing need for their services.” At the same time, many nonprofits are facing a lack of funds while striving to fill in the gaps in some of the poorest of communities. Schneider, et al. (2005, 1) go on to say that at the same time these organizations are suffering from budget deficits “governments in the United States and around the world [are] forced to cut back some of their traditional support [towards nonprofit organizations].” It does not matter that the government was capable of rendering support in the past, as Schneider and his colleagues point out the money “simply is not there.”

As such, needs-based criteria not only refer to the unmet needs of society, but it also refers to the unmet needs of the nonprofit organization. Today’s nonprofits are trying to provide more services with less money; they are operating at full capacity with less staff; and they are trying to provide quality care with inadequate resources and equipment (Allison Supancic, Head Librarian for the Hogg Foundation for Mental Health). It is the responsibility of the granting foundation to identify these areas of need and cater the foundation’s decisions to meet the needs of the organization.

In *The Practical Guide to Managing Nonprofit Assets*, Schneider, et al. (2005, 1) refer to Charles Dickens’ *A Tale of Two Cities*. In the novel, Dickens writes about a very turbulent era whereby he states “it was the best of times; it was the worst of times.” According to

Schneider, et al. (2005, 1), “our own [era] is more challenging. Information can travel around the globe at the speed of an electric current, but the ancient scourges of ignorance, disease, poverty, and hatred are far from banished.” What Schneider, et al. is saying is that it is time to identify where the greatest needs lie (i.e., disease and poverty) and allocate the foundation’s resources in the appropriate manner.

Efficient Funding – Management by Objectives

Management of nonprofit foundations resembles the same style of management as found in the for-profit organization – efficiency is paramount. According to McConkey (1975, 2), “management of nonprofit organizations has no right to be inefficient, to ignore managerial productivity, to ignore the profit motive, or to fail to evaluate new or revised approaches to management as these approaches develop.”

In this view, McConkey (1975,2) writes that “a manager is a manager” no matter what field his area of expertise lies. No manager is exempt from “strict accountability” to the people they serve or “from those on whom they depend for their funds and support” (McConkey 1975, 2).

Nonprofit foundations must “earn a profit [in donations] by operating as efficiently and effectively as possible” (McConkey 1975, 2). McConkey goes on to say that while the source of the nonprofit foundation’s and for-profit manager’s funds are different, it is still important for both entities “to avoid drifting into practices which are economically and socially wasteful and which raise major questions about their reason for being.”

It is for these reasons that Management by Objectives (MBO) has been adopted by nonprofit foundations. Nonprofit foundations must utilize the best management practices if the foundation wants to stay in “business” and continue to earn the trust of its owners (McConkey 1975, 2)). In the case of the nonprofit foundation, “owners” refers to the foundation’s constituents and/or donors.

The large amounts of capital these donors entrust to the foundation make it very important to emphasize efficiency. McConkey (1975, 2) gives the example of a for-profit business operating with five or ten million in capital. Such a large amount of operating capital provides no leeway “to practice sloppy management.” By comparison, many foundations are the stewards of hundreds of millions of dollars entrusted to them. As McConkey (1973, as cited in Borst and Montana 1977, 142) states, “the mandate [to provide solid management practices] should be no less [for the foundation]” than it is for the for-profit organization.

“One of the means used for improving effectiveness of both the organization and its individuals is Management by Objectives” (McConkey 1973, as cited in Borst and Montana 1977, 141). Although MBO was used predominantly in the late 70’s to early 80’s, MBO is still a useful tool for management. While this style of management is seldom referred to as MBO today, many modern-day nonprofit organizations espouse these same principles (Allison Supancic⁴).

The MBO style of management contains essential provisions that help organizations achieve the level of efficiency desired. McConkey (1975, 14-15) lists the following provisions:

1. Those accountable for directing the organization first determine where they want to take the organization or what they want to achieve during a particular period (establishing the overall objectives and priorities) (McConkey 1973, as cited in Borst and Montana 1977, 143).
2. Requiring, permitting, and encouraging *all* key managerial and administrative personnel to contribute their maximum to achieving the overall objectives (McConkey 1973, as cited in Borst and Montana 1977, 143).
3. Blending and balancing the planned achievements (results) of all key personnel to promote and realize the greater total results for the organization as a whole (McConkey 1973, as cited in Borst and Montana 1977, 143).
4. Providing a control mechanism to monitor progress compared to objectives and feed the results back to those accountable on all levels (McConkey 1973, as cited in Borst and Montana 1977, 143).

⁴ Again, Allison Supancic is the Head Librarian for the Hogg Foundation for Mental Health.

In conclusion, McConkey (1973, as cited in Borst and Montana 1977, 153) states that nonprofit organizations are not unique in that “they, like all organizations, have an objective to.... provide the highest quality service consistent with the funds available.” Foundations have massive amounts of assets entrusted to them and they serve in a “stewardship capacity” for the donors for whom they owe their existence. Managers of these foundations “have no inherent right to waste any of these assets or to violate their stewardship” (McConkey 1973, as cited in Borst and Montana 1977, 153). Managing in a way that achieves the most efficient use of these funds is what keeps the donor coming back.

Why *do* donors give away their money? Why do foundations *want* to be public stewards of this money? Before the grantee writes a proposal to a potential grantor, it can be quite useful to know the criteria foundations use when deciding who they will support (Robinson 2004, 23). The next section lists the potential factors that are most likely to persuade a funding institution (or person) to give away money.

Why Funders Give Their Money Away

According to Robinson (2004, 23):

People ask for money every day. They send e-mails, call on the phone, they even ring the doorbell. [The] neighbor collects for [their] daughter’s softball team; [a child] wants an increase in his allowance. Unless [a person] is very wealthy or incapable of saying no, [they] have to be very selective in their giving – [such is] the job of a foundation officer.

Robinson (2004, 23) goes on to point out that “in order to be a savvy grantee, the [grantee] must learn to see the organization from two perspectives simultaneously – as both solicitor and donor.” So before a grantee researches a foundation and writes a proposal, it is most helpful to understand why funding institutions give their money away (Robinson 2004, 23).

Robinson (2004, 23) provides a list of the potential factors that are “most likely to influence giving decisions at both the personal and institutional level.” Robinson (2004, 23) cautions the grantee not to be intimidated by the list because every item does not need to be

included in the proposal. It is important, however, for the grantee to think about how each item relates to their organization and to keep in mind that board members are “human beings, and their criteria [is] similar to [the grant applicant’s] criteria.”

Robinson (2004, 23) states that the grantee should consider the following items before submitting a grant proposal:

Issue. Does the [foundation] care about what the organization does? Are the organization’s concerns the same as the foundation’s concerns? Is the issue timely? (Robinson 2004, 23)

Constituency. Who will benefit if the organization succeeds? Most foundations are trying to reach specific groups of people; grantees must define their constituency. (Robinson 2004, 23)

Credibility. Has the foundation heard of the organization? Has the foundation seen [the organization] on television or in the newspaper? News media coverage is helpful for most groups because it lends instant legitimacy. (Robinson 2004, 24)

Track record. What has the organization done in the past? How does the organization’s accomplishments reflect on the organization’s ability to get things done in the future? (Robinson 2004, 24)

A thoughtful, realistic plan. Big ideas are attractive, but how will the organization make things happen? Is there a step-by-step plan to move the issue and implement the work? (Robinson 2004, 24)

Innovation. Does the proposal demonstrate a new way to address an old problem? (Robinson 2004, 26)

Collaboration and combining issues. Will there be any new collaborations, new combinations of constituencies or interest groups? On the principle of strength in numbers, a group that broadens its base and gets more people involved is more likely to succeed. (Robinson 2004, 26)

Program and organizational development. What will be the long-term effect of the project, if successful? An organization is less likely to be funded if donors perceive the organization is heading for a dead end. (Robinson 2004, 26)

Sources of funding. Grantors want to know who provided funding in the past and which funders will be approached for new projects. (Robinson 2004, 26)

Financial self-sufficiency. Organizations that can support themselves, rather than rely on outside sources such as foundations, are more likely to survive, grow, prosper, and get things done. (Robinson 2004, 26)

Financial management. Can the organization handle money in a professional way? Will the organization produce timely, accurate reports? (Robinson 2004, 26)

The list of criteria is exhaustive. The aforementioned items are just a few of the reasons foundations may choose to fund a particular project. Knowing these sets of criteria

should prove useful to the grantee. It is important to remember, however, that it is not required for grantees to “address every item for every donor” because “what is important to one individual or institution may be inconsequential to another” (Robinson 2004, 23).

The next section details the importance of visionary granting. Visionary granting should be important to all funding institutions because without it, the road to success is rarely ever found.

Visionary Granting

Schneider, et al. (2005, 33) tell the tale of a crew on a ship braving choppy waters and harsh winds. As the ship sets off in the distance, the crew looks back at the shore longingly not knowing where the winds will take them. Will the crew arrive safely to their destination? What is the destination? Will the crew face perilous storms? How long will their provisions last? (Schneider, et al. 2005, 33)

In contrast, Schneider, et al. (2005, 33) provides another beginning to the same story: “The crew set sail for their four-day journey to the shores of Spain with maps in hand and....” Here, Schneider and his colleagues (2005, 33) assert that “the reader [would have] a greater sense of certainty.” Of course, a certain set of risks may be involved in the journey, but the crew aboard the ship is ready because they have prepared themselves for the long road ahead.

The same is true for a purpose driven foundation. Schneider, et al. (2005, 33) provides such a vivid description of this tale to say “in order to chart a successful journey for [the foundation], [the leaders] need to determine the destination and have the right tools.” The foundation should have a clear vision of its “time horizon” and an expected set of goals if the foundation wants to “create a sense of purpose for members, staff, and donors” (Schneider, et al. 2005, 33).

Although the foundation will encounter several challenges, creating a vision will set the standard for future granting goals as well as provide a useful framework in which to do it. The

foundation's efforts will be based on purpose and an unwavering mission. Therefore, the next section provides a description as to why foundations create a purposeful existence.

A Purposeful Existence

Foundations have the freedom to define the focus areas and criteria the foundation will utilize when granting funds. Granting criteria is normally determined by either the board of directors, the executives of the foundation, the founders, and/or the donors (Dearing & Larson 2002, 360).

As Dearing and Larson (2002, 360) assert, "foundation granting [can be] described as..... [consisting of] carefully rationalized positions [that may] represent the idiosyncratic interests and proclivities of founders, funders, supporters, board members, and/or staff" (Dearing & Larson 2002, 360). In other words, the foundation's areas of interest are at the discretion of the officers and board of directors. Unfortunately, these decision makers often lean heavily in the direction of a board member's "pet project." In other words, if an organization in which the board member has a dire interest in applies for a grant, it increases the likelihood the foundation will fund the project.

Fortunately, most foundations have undergone a vast transformation and are redefining the granting process. Foundations' vision has changed from passively responding to grant requests to becoming a "social investor." "Foundations that once responded to grantee requests are now defining areas where they will fund initiatives, even to the point of releasing [RFP's]" (Dearing & Larson 2002, 360). It is clear that decision makers are more actively seeking a fit between the foundation's focus areas and an unmet social need. Passive granting has evolved into effective granting.

Therefore, the role of foundation staff is constantly being redefined. Everyone involved, from the board of directors to the paid personnel, is becoming much more focus driven when deciding what impact, and how much of an impact, the foundation will have on the social environment. "Foundation staff persons are philanthropists in the business of

improving the social condition, not just helping people....They seek structural solutions to structural problems” (Dearing and Larson 2002, 362). Foundation staff realizes the limits of their grants in relation to compounding social problems. Therefore, the task of implementing focus areas has become a critical issue.

St. David’s Community Health Foundation (Appendix I) provides an example of a foundation that addresses its focus areas clearly in the foundation’s mission statement. Every Letter of Inquiry (LOI) written by St. David’s Community Health Foundation contains the foundation’s mission statement as follows:

“The mission of the St. David’s Community Health Foundation is to improve the health of Central Texans [through]...one of the following focus areas: physical health and/or mental health.”

There was a time, however, when St. David’s struggled to find clearly defined focus areas. Whether the disorientation was due to inexperienced board members, poor management, or simply because there had never been a set of clearly defined goals, it was obvious that the implementation of a narrowly defined mission statement was in order. Once foundation officers were able to realize the problem, the environment at St. David’s quickly began to change and the foundation was able to adopt a strategic orientation.

As de Borms (2005, 77) points out, “strategic philanthropy is [now] different in different political and cultural surroundings. It is more reflective of societies needs and capacities, and because it is informed by stakeholder dialogue and engagement it can adapt to changing realities” (de Borms 2005, 77).

Strategic grant-making is a response to dwindling public resources and the subsequent need to stretch the donor dollar. Foundations are operating more strategically to find the best ways to allocate the foundation’s resources. Once again, as Schneider, et al. (2005, 1) asserts “governments in the United States and around the world [are] forced to cut back some of their traditional support [towards nonprofit organizations].” Therefore, it goes to reason that in a

time of government budget cuts and fewer public dollars, strategic planning will mark the survival of many a foundation (de Borms 2005, 77).

In 1995, the Peace Development Fund (PDF) redeveloped its granting process from funding a large range of issues to targeted funding based on a five year plan (Furnari, et al. 2000, 77). PDF's plan included five goals that set them on a strategic path from 1995 to 2000, and each goal contained a set number of objectives. "In choosing areas to focus its funding, PDF developed a Strategic Initiative model" through which all grant requests had to pass inspection (Furnari, et al. 2000, 77). Once PDF's goals and objectives were defined, the granting process became much more enjoyable. Community impact was more visible, donor dollars were strategically spent, and the foundation was able to grant funds according to its mission.

In order to have a purposeful existence, foundations must know why they exist. Without such knowledge, "foundations [will] waste buckets of their own money – and hours of grantee time" (Orosz 2000, 32).

Sustainability Plan

In order to address complex social issues, it is often necessary for the grantee to form partnerships with other organizations that have the capability to bring essential skills, funds, and leadership to the project (Orosz 2000, 81). Sustainability plans involve formal strategies to create a variety of connections with related organizations concentrated on similar initiatives. These connections or collaborations are formed to strengthen long-term vitality of an organization.

Sustainability plans help grantees survive in an ever-changing world. Sustainability increases the life of the nonprofit organization. If foundations do not require a plan of sustainability this essentially handicaps the grantee.

It is through a sustainability plan that the grantee becomes a self-sustaining organization by developing additional methods of grant seeking or fundraising (de Borms

2005, 82). Sustainability increases the chances of the grantees survival, it encourages relationships with other private funders, it ensures the foundation that the funds are being put to good use, and it allows the grantee to create a program whereby a continuum of care is established (Dearing & Larson 2002, 363).

Sustainability also increases the chances of successful implementation. Many a program has begun with a noble idea in mind just to find that the program could not quite make it off the ground. Foundations have found it necessary to stress sustainability at the outset. Dearing and Larson (2002, 363) state that

....foundations [are] increasingly requiring involvement, cooperation, and collaboration among grantees and between grantees and their associated stakeholders. The expectation by foundation staff is that by recognizing and stimulating the interdependencies among a set of local actors, the chances of successful program implementation increase.

The Kresge Foundation is an organization that aims to inspire increased levels of donor participation through an expanded donor base. Foundation board and staff believe that fundraising campaigns are an opportunity to reach untapped donors rather than depending only upon current donors (Marshall and Tempel 1998, 27). A potential grantee must submit a fundraising plan that includes new donors as well as how the grantee proposes to bring the donor into the project.

Foundations want to fund efforts that are seen as worthy by other funders. When a grantee is funded by multiple foundations, funding organizations see their dollars go further and know that if their support stops (even temporarily) the grantee will continue to provide needed services. Therefore, foundations often ask grantees to provide a plan that will recruit additional donors or provide evidence that the organization already has multiple funding sources.

In reference to the Kresge Foundation, Marshall and Tempel (1998, 28) assert that “the [grantee] is challenged to pay careful attention to converting the psychological investment that first-time donors make....into annual funding and other special opportunities with the organization.” It is the foundation’s hope that the grantee will develop long-term, sustaining relationships with first-time donors.

De Borms (2005, 82) further supports sustainability by stating,

Band-aid solutions do not work in complex societies. In fact, grants can often exacerbate an already deteriorating situation by failing to empower those civil society organizations that lack the capacity to sustain long-term social and or/political change.

Grants, in and of themselves, can provide a quick solution to a long-term problem. In order to expand the capacity of the organization into the future, the grantee must strategically plan on building sustaining relationships. By making such a statement, de Borms (2005, 82) demonstrates the importance of long-term plans in achieving nonprofit organization’s long-term goals.

In conclusion, sustainability plans are the life blood of the grantee. It is with these plans that some of the strongest collaborations have been built. The next chapter identifies and discusses the key characteristics foundations look for when choosing a worthy grantee. It is these characteristics that tend to make the grantee a desirable candidate. The working hypotheses and sub-hypotheses for this project are developed therein and presented in a conceptual framework.

CHAPTER 3: KEY ELEMENTS OF GRANTING CRITERIA

Purpose

De Borms (2005, 76) states that “a foundation’s drive to create value must be validated by identifiable impact, otherwise it risks becoming part of the problem instead of part of the solution within the societies it serves.” An in-depth review of the literature on foundations revealed the five key issues foundations look for when deciding which programs to fund: focus areas, social need, sustainability, and financial accountability.

These issues are developed into four working hypotheses that give relevance to the impact-driven foundation. Without taking the time to review these categories and their importance to granting, foundations would be remiss in their moral and fiduciary responsibility to the public. The categories also allow the grantee to gain insight and knowledge into what makes grantors tick as well as the types of nonprofit organizations these foundations fund.

It is important to build the working hypotheses (conceptual framework) that is linked to scholarly literature. According to Shields & Tajalli (2005, 5), “conceptual frameworks are connected to outcomes or problem resolution because they aid in making judgment.” In this way, the working hypotheses provide logic and structure to aid in reaching a firm conclusion.

The following sections describe the key elements that comprise the most commonly used granting criteria. Subsequently, the criteria are used to craft working hypotheses to satisfy the purpose of this research. Sub-hypotheses are developed to more fully elaborate the meaning of the larger overarching working hypotheses.

Working Hypothesis 1: Focus Areas

According to the Council on Foundations (2002, 4) board briefing, some foundations more readily consider [grants] to an organization that has an overall mission that closely corresponds with the mission of the foundation. The objectives of a foundation are fixed. Although minor changes may occur throughout the years in the operation of the foundation, the documented decisions of its founding fathers (i.e., board of directors) remain steadfast (de Borms 2005, 75).

The structure of a foundation, along with its focus areas and mission statement, can be found in the foundation's charter or articles of incorporation. It is within this charter the foundation defines the program areas the foundation will fund. Areas of interest that lie outside of the foundation's areas of interest, or to which the foundation is unable to find a direct connection, do not get funded. Therefore, this research intends to learn whether:

Working Hypothesis 1 (WH1):

Foundations maintain internal focus areas that direct the foundation's funding decisions.

Andy Robinson suggests that prior to researching potential funders and writing grant proposals, it is helpful for the grantee to consider the criteria foundations and other funding programs use when deciding what programs to fund (2004, 23). Robinson sites a list of factors that are likely to influence [grant-makers'] giving decisions, and asks the following questions of the grantee: "Does [the grantee] care about what the organization [foundation] does? Are the group's [foundation] concerns also [the grantee's] concerns? Nearly all foundations clearly articulate the issues that interest them. If [the grant-seeker] is seeking grants for other things, [the grant-seeker] need not apply" (2004, 23).

Making a direct connection between the goals and objectives of the foundation and the grant seeking organization is important to effective granting. Mutual areas of interest are a key component to consider when a grantee is submitting a grant proposal. Therefore, this research expects to find parallels between granting styles where:

Working Hypothesis 1a (WH1a):	<u>Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s)</u>
Working Hypothesis 1b (WH1b):	<u>Foundations will accept proposals from a potential grantee if the grantee's focused area(s) of need is within the foundation's focused area(s) of need</u>

Knowing that foundations maintain internal focus areas to direct the foundation's funding decisions is important for several reasons. As Robinson (2004, 57) states, "by doing your homework (the grant applicant), you will use your time more efficiently, submit fewer proposals, get more grants, simplify the lives of dozens of grateful grantors, and reduce the volume of frivolous paper in the world."

As explained in Table 3.1, focus areas form the basis for which foundations use to determine which programs the foundation will fund. By maintaining these focus areas, making a direct connection to the grant applicant, and forming a strict policy to only accept applications that fall within these areas, the foundation is better able to achieve its mission.

Working Hypothesis 2: Social Needs

Dearing and Larson (2002, 358) define a foundation as "an endowment established with private money that is dedicated to charitable or philanthropic – that is, public – purpose." In the same vein, most major foundations embody the same model as the founding fathers of the modern day foundation (Andrew Carnegie and John D. Rockefeller) "...investing privately earned fortunes so that the profits could help the less fortunate make demonstrable improvements in their lives" (Dearing and Larson 2002, 359).

It follows that the hallmark of a strong foundation involves funding unmet social needs in the community. Foundations exist to serve as problem-solvers that address the "root causes" of societal problems (Dearing and Larson 2002, 361). Therefore, this research project expects to discover that:

Working Hypothesis 2 (WH2):**Foundations provide funding for unmet social needs**

As illustrated in Table 3.2 at the end of this section, relevant literature is the basis from which Working Hypothesis 2 and its two sub-hypotheses are developed to satisfy the research purpose.

While there is a lack of research on the subject matter, it is imperative to know and understand why foundations exist and to what end this affects the grant applicant. It is the intention of this research project to shed light upon the subject matter.

Foundations strive to place added value in the communities in which they operate. This is accomplished in many ways. But no matter how it is accomplished, “the bottom line question for all donors is: ‘What is the most effective use of our funds?’” (de Borms 2005, 53). Foundations that want to demonstrate logical, well-planned, effective use of their funds do so by learning the scope of the unmet need(s) in the community, as well as the outcome(s) the foundation’s funding will have on the community if the social need is met.

As de Borms asserts, “it is time to shift the debate about whether foundations should be grant-making or operational...to how they can become more effective, strategic actors and value-added partners in their communities and, in some instances, on the world stage” (de Borms 2005, 54). The outcome is a more effective use of funds to fulfill community needs. Sensibly, two sub-hypotheses follow:

Working Hypothesis 2a (WH2a):**Foundations want the potential grantee To communicate the scope of an unmet need in the community****Working Hypothesis 2b (WH2b):****Foundations want the potential grantee to demonstrate the outcome in the community if the social need is met**

Working Hypothesis 3: Impact

Central to effective grant-making is impact. How does the grant impact the grantee? Who does the grant impact? To what extent was the impact felt? De Borms (2005, 148) lists a set of structured questions foundations should ask themselves when considering impact:

1. Was there an impact?
2. What has changed and in what direction?
3. Was the change in direction the desired one? Did we achieve what we intended with respect to change?
4. Was the impact clearly the result of the foundation's activity?
5. Was the change brought about by the foundation, or were there other causes?

De Borms (2005, 75) provides a bit of self-reflection for the foundation by stating that “a foundation’s drive to create value must be validated by identifiable impact, otherwise it risks becoming part of the problem instead of the solution within the societies it serves.” Hence, in the absence of considering community impact, the foundation risks becoming a contributor to the ills of society. Therefore:

Working Hypothesis 3:

Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non-profit and its recipients and/or benefactors

As illustrated in Table 3.3 at the end of this section, each working hypotheses is linked to the research purpose and grounded in the relevant literature.

To demonstrate impact, grantees should consider whether the program or research they are proposing will be seen as “grantable” by the foundation. In other words, “does [the] project fill a real need, and how much of that need will the project address? If the need is real, will this project meet the need or a significant portion of it?” (Robinson 2004, 38). Addressing the grants impact is pertinent to funding worthwhile, deserving projects.

One of the ways foundations ascertain the level of impact the grant will have on the grantee is through site-visits. During site visits, foundation officers (i.e., board members or directors) travel to the potential grantee’s organization. While there, the foundation’s officers

observe various aspects of the organization such as staff, program operations, facilities, and people served (benefactors).

Furnari, et al. (2000, 23), assert that site visits are a critical part of the decision-making process. They describe site visits as “in-person meetings,” normally performed by members of the board and the executives of the foundation, whereby on-site observations of the grantee’s facilities are conducted. According to Furnari, et al. (2000, 23), “the opportunity for site visits...plays a crucial role in determining who achieves funding. Site visits help non-profit groups build their cases and establish valuable relationships with funders.” Therefore, this research project expects to find that:

Working Hypothesis 3a (WH3a):

Foundations may utilize site visits to the potential grantee’s organization in order to observe potential impact of the grantee’s organization on its recipients and/or benefactors

Because foundations have goal-centered initiatives with desired outcomes, Orosz (2000, 246) suggests that it is not necessary for the foundation to accept requests from every organization that applies. “Generally, only a certain group of potential applicants has the capacity to deliver the desired impacts” (Orosz 2000, 246).

Knowing the foundation’s expected outcome(s) is important to the grantee because the non-profit is then able to cater its proposals to the foundation’s level of expectancy. This knowledge also places the grantee in an ideal position to receive funding from the foundation. Sensibly, sub-hypothesis 3b is as follows:

Working Hypothesis 3b (WH3b):

Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the potential grantee is requesting funds

Table 3.3 demonstrates how the grant’s impact is paramount to the foundation. It is important for the grant to have an identifiable impact on the grant applicant and its recipients.

Site visits may be utilized to determine the level of impact on the nonprofit organization, whereas practical outcomes and a high level of service can provide evidence as well.

Working Hypothesis 4: Sustainability

One of the hallmarks of a good proposal is a plan of sustainability, or documentation that there are other organizations willing to provide future funding toward the success of the program. Orosz (2000, 77) points out some of the main questions proposals should address about sustainability: “Are there any potential partners for this work? Are they interested in becoming partners? What other funders might support the project?” By showing that the grantee has endorsements from other foundations or organizations, this demonstrates a strong network of support.

One of the main reasons foundations ask grantees to submit a comprehensive plan of sustainability is because foundation leaders want to know the program will be in existence once the funding ceases (Orosz 2000, 81). A sustainability plan also allows the foundation to terminate its involvement in a project once the mission has been completed. In doing so, the foundation is able to fund other worthwhile programs. Therefore:

Working Hypothesis 4 (WH4):

Foundations expect the non-profit organization to have a sustainability plan

Orosz (2000, 81) may have put it best when he said,

One ancient piece of granting wisdom holds that foundations should not fund any project or organization forever. After all, if a foundation’s budget is encumbered by multiple ongoing commitments to past grantees, it will lack the flexibility to respond to new opportunities.

This piece of advice can be valuable to both the grantee and the grantor. While some programs only need a year or two to become stable and grounded, others may require ten or

more years. It is important to know the organization's timeline in advance. This type of planning allows the successful grantee to secure future supporters. Hence, the reason it is best to emphasize sustainability through partnerships at the beginning of the grant request.

It is necessary for grantees to form partnerships with other organizations because the organizations may have the capability to bring essential skills, funds, and leadership to the project (Orosz 2000, 81). Partnerships act as a hybrid for ideas and strategies. Partnerships are also a good public relations tool that allows non profits to expand their resource network. As de Borms (2005, 87) asserts, "effective partnerships last as long as necessary to achieve the objectives. They optimize existing resources and bring new ones into play." Therefore, the following sub-hypotheses reinforce Working Hypothesis 4:

- | | |
|--------------------------------------|---|
| Working Hypothesis 4a (WH4a): | <u>Foundations prefer the potential grantee to provide a list of current and future funders</u> |
| Working Hypothesis 4b (WH4b): | <u>Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organizations service/research area</u> |

Working Hypothesis 5: Financial accountability

It is not out of the ordinary for foundations to require grantees to prove good financial management. In other words, is the grantee's organization financially sound? Are funds being managed appropriately and responsibly? The audited statements and budgets and expenses required to prove financial accountability is private to the grantee, however, the foundation has a fiduciary responsibility to its donors and the Internal Revenue Service to review such documents.

The foundation's financial records are susceptible to public scrutiny and Internal Revenue Service (IRS) review. Financial impropriety and loosely managed funds have caused the IRS to be more diligent and to frequently review financial records yearly. Who can forget

the inappropriate money handling and funds embezzlement by United Way in 1996? It is for these reasons the IRS has a trained eye on nonprofit operations.

(Holcombe notes that (2000, 171), “two things have changed the nature of accountability in the twentieth century: the broadening of the scope of foundation activity, and the applicability of tax law to foundation activity.” In reference to the nonprofit world, accountability means obeying tax laws. But in today’s society of fraudulent activity accountability has come to mean more than just obeying tax laws – “accountability also means managing foundations in such a way as to avoid the appearance of impropriety” (Holcombe 2000, 171). Therefore:

Working Hypothesis 5 (WH5):

Foundations require the potential grantee to submit documentation of financial accountability

As illustrated in Table 3.5 at the end of this section, relevant literature is the basis from which Working Hypothesis 5 and its two sub-hypotheses are developed to satisfy the research purpose.

In the nineteenth century, nonprofit foundations functioned with a very narrow scope. They donated monies to public causes that were clear and concise, and because there were no tax incentives to influence decision makers, public accountability was not a priority. However, the nonprofit air began to change in the twentieth century (Holcombe 2000, 171). Large, “general-purpose foundations” began to form and the tax code enticed donors to create foundations for financial benefit to themselves and their heirs.

The hitch to this care-free life of no taxes was the foundation would be held accountable to public scrutiny. First, the foundation is accountable to its loyal customers – its donors and beneficiaries (Holcombe 2000, 174). Second, the foundation is accountable to the general public. Because it exists to serve a public mission, foundation activity became a matter of public record.

There is also a level of accountability to the federal government. The federal government allows foundations to operate under a tax-exempt status. In order to maintain trust and integrity, and stay within the limits of federal law, foundations ask grantees to maintain a high level of financial accountability through proof of IRS audits, current tax returns, and standardized budgets. As such, this research project expects to discover:

Working Hypothesis 5a (WH5a): **Foundations require the potential grantee to submit a copy of the organization's most recently audited statements**

This can be demonstrated by looking at the Kresge Foundation Challenge Grant Program was founded in 1924 by Sebastian S. Kresge. Located in Troy, Michigan, it is a private foundation that awards challenge grants annually (Marshall and Tempel 1998, 24). The foundation's mission is to provide support to increase civic involvement. The application process is relatively easy. However, the foundation will only consider proposals that contain evidence of exceptional financial stability (Marshall and Tempel 1998, 25). Eighty-two years of operation has not changed the foundation's mission to embody integrity and truth.

Marshall and Tempel (1998, 25) note that many funding campaigns of this nature often fail because organizations have not thoroughly evaluated themselves in the area of financial accountability. Due to increased scrutiny and pressure to prove that their activities really are in the public's interest, foundations tend to be strict in their requirements of grantees to demonstrate financial accountability.

Grants are made to those non-profit organizations that the foundation views as trustworthy and accountable of their funds, as well as what they do with those funds. Therefore, it is not uncommon for the foundation to require grantees to submit a copy of its most recent budget and expenses along with the proposal. In fact, Orosz states (2000, 92), it is almost inevitable. Therefore, this research intends to learn whether:

Working Hypothesis 5b (WH5b):

Foundations require the potential grantee to submit a copy of the non-profit organization's current budget and expenses

The working hypotheses and supporting sub-hypotheses for this research project comprise the most compelling grant criteria used within the nonprofit world. Conceptual frameworks are developed below to link the literature to the hypotheses. Relevant, scholarly literature listed in the conceptual framework supports the rationale for each working hypotheses and sub-hypotheses. As explained in Table 3.1, **focus areas, social need, impact, sustainability, and financial accountability** lay the ground work for foundations to make rational, well-informed funding decisions.

**TABLE 3.1 – WORKING HYPOTHESES
CONCEPTUAL FRAMEWORK TABLES**

Working Hypothesis 1	Source
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Robinson (2004); Orosz (2000); Council on Foundations (2002); Dearing & Larson (2002), Schneider, et al., (2005), Furnari (2000), de Borms (2005)
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	de Borms (2005); Orosz (2000); Council on Foundations (2002); Dearing & Larson (2002)
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Robinson (2004); de Borms (2005); Orosz (2000); Council on Foundations (2002), Marshall and Tempel (1998); Dearing & Larson (2002)

Working Hypothesis 2	Source
WH2: Foundations provide funding for unmet social needs.	Dearing & Larson (2002); Holcombe (2000); Furnari (2000)
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	Atwood (1999); de Borms (2005); Furnari (2000), Schneider, et al. (2005)
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.	de Borms (2005); Furnari (2000)

Working Hypothesis 3	Source
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non-profit and its recipients and/or benefactors.	Beatrice, et al. (1998); de Borms (2005); Marshall and Tempel (1998); Robinson (2004);
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.	Orosz (2000); de Borms (2005); Council on Foundations (2002); Marshall and Tempel (1998); Furnari, et al. (2000)
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds ⁵ .	Atwood (1999); Orosz (2000); de Borms (2005); Dearing & Larson (2002); Furnari, et al., (2000); Robinson (2004)

Working Hypothesis 4	Source
WH4: Foundations expect the potential grantee to have a sustainability plan.	Orosz (2000); Beatrice, et al. (1998); de Borms (2005); Marshall and Tempel (1998)
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Orosz (2000); de Borms (2005); Council on Foundations (2002); Marshall and Tempel (1998); Furnari, et al. (2000); Dearing and Larson (2002)
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Atwood (1999); Orosz (2000); de Borms (2005); Dearing & Larson (2002); Furnari, et al. (2000)

⁵ WH3b and WH4b were derived from the Applied Research Project written by Leslie Atwood *An Assessment of Proposals Submitted for the State of Texas Emergency Shelter Grants Program*. MPA, Texas State University, 1999

Working Hypothesis 5	Source
WH5: Foundations require the potential grantee to submit documentation of financial accountability ⁶ .	Atwood (1999); Holcombe (2000); Marshall and Tempel (1998); Orosz (2000); de Borms (2005)
WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements.	Atwood (1999); Holcombe (2000); Marshall and Tempel (1998); Orosz (2000)
WH5b: Foundations require the potential grantee to submit a copy of the non-profit organization's current budget and expenses.	Atwood (1999); Holcombe (2000); Marshall and Tempel (1998); Orosz (2000)

⁶ WH5, WH5a and WH5b were derived from the Applied Research Project written by Leslie Atwood *An Assessment of Proposals Submitted for the State of Texas Emergency Shelter Grants Program*. MPA, Texas State University, 1999

CHAPTER 4: HISTORICAL SETTING

Purpose

According to Dearing and Larson (2002, 358), “a foundation is an endowment established with private money that is dedicated to charitable or philanthropic – that is, public – purpose.” As of 1995, foundations made up approximately 1.6 million recognizable organizations in the United States in conjunction to nonprofits, businesses, and government (Salamon 2001, 24.). This represents approximately 6 percent of all nonprofit organizations in the United States at the time. In 1996, foundations brought in revenues of \$670 billion, or approximately 9 percent of the gross domestic product in the United States and approximately 7 percent of the nation’s workforce (Salamon 2001, 24.)

“The number of foundations has nearly doubled over the past decade and a half and the real value of their assets has increased two and a half times,” (Salamon 2001, 28) making the number of nonprofits in the U.S. equal to over 3 million organizations with a gross revenue of over \$1.6 trillion. The sheer size and growth of nonprofit foundations makes it important to the U.S. economy to recognize the amount of potential these foundations have to influence to the common good.

The purpose of this chapter is to provide a brief history of the nonprofit foundation, as well as a description of the vital role foundations play in today’s economy. This chapter lists the different types of foundations, what they do, and how they operate. In addition, the various granting styles used by foundations to achieve the social common good are examined.

Foundations are charitable entities that rarely provide direct services to the public. Rather, foundations fund the activities of other nonprofit organizations that perform the work. Foundations receive donations from charitable contributors and ideally go about the business of distributing these funds in a diplomatic and methodical manner to other nonprofits that have direct contact with the community.

How do grant seeking organizations obtain funds from the foundation? How do these organizations approach the foundation? What should the grantee do to obtain the foundation's trust? What should the organization keep in mind when writing a proposal? These are the types of questions grantees should ask themselves. Unfortunately, if grantees fail to understand the process and respond inappropriately they could jeopardize their very existence. (Furnari, et al. 2000, 5).

Historically, the federal government has funded many nonprofits that provided health and social services. In recent years, federal government support for discretionary funding of social, health and human services has fallen. In addition, eligibility for services has become stricter. The government has been forced to tighten its purse strings (Schneider, et al. 2005, 1) and state and local governments are stressed with decreased funding and a growing list of recipients.

States have felt the pinch and also restricted their spending and granting to social, health and human service nonprofits. Hence, nonprofits are looking more often to private foundations for resources. The lack of support from outside sources logically leads to a greater need for the grantee to understand the granting process.

Therefore, this research is designed to aid to grantees in the application process by educating them on the key issues that are most important to foundations when determining the foundation's grant recipients. One way of doing this is to provide a historical overview of the foundation so that the grantee may understand how and why these organizations even exist.

The History and Role of Foundations

The roots of philanthropy can be traced to early, primitive societies whereby "the welfare and preservation of individuals and families required the community to share in the tasks of food gathering, hunting, and providing shelter" (Block 1990, 47). As civilization grew, societies became more complex. The work of helping others to protect and preserve the community grew into the indoctrination of rules and structure. "Religious doctrines, ideology,

and influences on giving, compassion, and personal sacrifice are a significant part of the heritage of charity and philanthropy, which eventually resulted in the development of the nonprofit sector” (Block 1990, 47).

Historical ties also lead back to the bible and religion. The book of Deuteronomy provides a lesson on tithing by instructing people to “tithes a portion of their produce and share it with the widows and hungry children in one’s own community and with transients” (Block 1990, 47). The book of Matthew also talks of sharing in a Christian manner.

Social problems have always existed. Some were worse than others. The invention of machinery and assembly lines spawned new wealth amongst investors, creating a shift from a rural economy to industrialization. The divide between the newly rich and urban poor became wider and wider. When it grew too much for any one person to handle, public organizations were willing to step in.

Problems of vagrancy, begging, and homelessness led to an organizational effort to take care of the poor. England was the first to come up with what was known as “The Poor Laws of 1601.” There were three principles outlined in this law: public responsibility, local responsibility, and relatives’ responsibility (Block 1990, 48). The basis of the law was that people were expected to work for a living and take care of themselves and their families. If an individual was rendered incapable of providing such necessities, the community would become responsible to provide the needs of the poor (Block, 1990, p. 48).

The inception of ‘the poor laws’ began at the state level in the United States (Block 1990, 48). As populations grew, it became harder to control assistance to the poor and almshouses and shelters came under strict scrutiny. The overall living conditions in almshouses were said to be “deplorable.” “In response to the recognition that there was a significant contrast in the quality of life for the rich and the poor, the charity organization and settlement began to flourish” (Block 1990, 48).

Later, the Charity Organization Society began in the United States. The organization was created to espouse an effective system of private charity (Block 1990, 48). The founders of the organization evolved the idea of passive giving into a common sense approach in which deep thought was given to the long term effects of giving. This emphasis on a thoughtful approach is believed to be the grandfather of the modern philanthropic foundation or corporate contribution. The approach based on planned giving with a purpose to achieve a desirable outcome for the entire community (Block 1990, 49). Block (1990, 49) also notes that “this movement attempted to be scientific by both collecting data about charitable agencies and by coordinating the effects of several of the charities.”

Andrew Carnegie and John D. Rockefeller established the first foundations in the United States. Most major foundations embody the same model the Charity Organization Society and Carnegie and Rockefeller established decades ago: “.... Of investing privately earned fortunes so that the profits could help less fortunate others make demonstrable improvements in their lives” (Dearing & Larson 2002, 359)

The way Carnegie and Rockefeller operated was to defer decisions about the allocation of foundation dollars to a Board of Trustees. To facilitate better decisions, the Board of Trustees brought in paid staff to oversee the mission and finances of the foundation. By separating themselves (Carnegie and Rockefeller) from any type of oversight, the foundation was placed in a unique position – one in which it gained an “unusual autonomy” (Dearing & Larson 2002, 359). “This norm of autonomy – a separation of foundation decision making from the benefactor’s direct control – now characterizes most foundations, and is a fundamental aspect of the contemporary organizational culture of large private foundations” (Dearing & Larson 2002, 359)

Historically, the liberal U.S. foundations (e.g., Carnegie and Rockefeller) and European foundations (e.g., the Volkswagen Foundation in Germany and Stiftelsen Riksbankens Jubileumsfond in Sweden) have relied on research activities” (de Borms 2005, 81). By

supporting research, these foundations were able to influence social change. Foundation funded scientists typically defined the problem, found the solution, and published their research. Policymakers subsequently used the findings to implement the change (de Borms 2005, 81). Today, this type of change is usually achieved through funding a myriad of public service groups. “The danger of just working within one paradigm is that often, to address complex social problems, there is a need to play on different leverage points of change” (de Borms 2005, 81)

The nonprofit sector is embedded in a rich tradition of Americans’ coming together to support a much needed cause, to become an integral part of the community or to form social and business ties (Block 1990, 46). Nonprofit organizations were formed under the auspices of charity and philanthropy. Therefore, the history of the nonprofit world can be described as shared wealth to those in need (Block 1990, 47).

One of the perks of operating as a nonprofit entity is the ability to function with a tax exempt status. The next section will highlight what it means to be tax exempt and explain why foundations fall within this category.

A Tax Exempt Entity

Foundation income is tax free as are its consumption activities (sales tax and property tax). The foundation’s tax exempt status is awarded based on its role as a public investor. In return for financial freedom, foundations must give away 5 percent of their financial assets each year to other nonprofit organizations (Dearing & Larson 2002, 361).

As an additional incentive, charitable donations from civic minded donors are tax deductible. Donors are allowed to claim their contributions to the foundation on their yearly tax returns.

The tax exempt status can be most helpful to nonprofit organizations in obtaining donations. One of the many incentives for a tax exempt entity is that the exemption acts as a

‘perk’ for the donor – it encourages the donor to contribute to the foundation while “writing off” the charitable contribution as a tax deduction; more deductions means paying fewer taxes.

Furnari, et al. (2000, 1) state that “foundations exist to serve the public interest.” As such, foundations are afforded tax exempt status based on their charitable public responsibility to do good. Tax exemption was written into law in the Revenue Act of 1909 whereby any public or private entity that exists to provide a public service to society as a whole would be awarded the 501(c)3 tax exempt status. 505(c)3 is the number of the tax code that is written into law.

Block (1990, 53) provides the argument in support of 501(c)3 status by saying “tax exemption is an essential element of the American economy and the advantages of obtaining the 501(c)(3) tax exempt status for the nonprofit organization is an integral part of forming and maintaining charitable...organizations.” Block (1990, 53) continues the argument by stating that if it were not for tax credits modern day non profits would suffer and the responsibility of the many social ills would fall squarely on the shoulders of the government.

The next section outlines the many types of foundations that exist today. The purpose of this section is to educate the grantee on how to match the appropriate grant proposal to the appropriate foundation when asking for funds.

Types of Foundations

Dearing and Larson (2002, 359) provide a listing of the various granting foundations in their article, “Private Foundation Funding of Applied Communication,” as well as brief descriptions of each entity:

There are three types of private foundations – independent foundations, company-sponsored foundations, and operating foundations. *Independent foundations* are established by a person or family of wealth (this comprises the largest group). *Company-sponsored foundations* (also called corporate foundations) are created and funded by business corporations. *Operating foundations* are established to operate

research, social welfare, or other charitable programs deemed worthwhile by the donor or governing body (Dearing & Larson 2002, 359).

The Council on Foundations (2002, 2) defines five areas of support most foundations fund: project (or program) support, operating support, endowments, seed money, and capacity building. Historically, foundations most commonly provide project funding, and are less likely to provide operating support.

Project support takes the form of grants “to support specific projects or programs” (Council on Foundations 2002, 2). Operating support are grants “to support the work of an organization, covering the day-to-day personnel, administration, or other expenses” (Council on Foundations 2002, 2). Endowments are “bequests or gifts intended to be kept permanently and invested to provide income for continued support of an organization” (Council on Foundations 2002, 2).

Seed money is defined as “grants to establish or initiate a new project, program or organization; also known as start-up funds” (Council on Foundations 2002, 2). And capacity building involves “activities that strengthen an organization and help it better fulfill its mission, such as new equipment and staff” (Council on Foundations 2002, 2).

Knowledge about the various types of funding available should give the grantee a definite edge, but it is also important for the grantee to know the different ideologies foundations use to determine its granting style. The following section discusses the varying grant styles a foundation might utilize. By educating themselves on foundation ideals, grantees should be able to choose a foundation likely to approve project funding.

Granting Styles

All foundations are unique. Each foundation has a set of ideals, or beliefs, they use to base giving decisions and each has its own perspective on what it deems appropriate. It is this perspective that guides a foundation’s determination of the best way to achieve the common good. Joel Orosz (2000, 26) has classified foundation ideologies into four categories:

1. **Passive** – the passive foundation responds to unsolicited requests, and simply chooses the best proposals in hand. It usually does very little to share with others the lessons it is learning from programs it supports (Orosz 2000, 26).
2. **Proactive** – the proactive foundation makes its interests known, through annual reports, brochures, etc. It tends to have well-defined priorities and makes grants clustered around related subjects (Orosz 2000, 26).
3. **Prescriptive** – the prescriptive foundation clearly defines its interests...to a narrow field of activity. The prescriptive foundation tends to do its granting in an initiative-based format that includes request for proposals (RFP's)(Orosz 2000, 26).
4. **Peremptory** – the peremptory foundation is totally agenda-driven. It chooses its grantees, sometimes by means of a request for proposal (RFP) but often simply by selecting them without public notice or competition (Orosz, 2000, p. 27).

According to Orosz (2000, 27), a foundation's ideology determine its style of granting. The passive foundation is likely to make a variety of grants based completely on the proposals it receives. The proactive foundation will make several small grants here and there that are related to one another in some way, but with an eye on all proposals that are submitted to the foundation. The prescriptive foundation will likely have clearly defined initiatives to choose among its grantees, with no intention of accepting public requests. The peremptory foundation will choose grantees with the same vision as its own and will not accept or respond to requests made without an invitation (Orosz 2000, 27).

The setting chapter provided the foundation's historical background. This chapter laid the groundwork from which the charitable organization began many years ago. This chapter also explained the rationale for the tax exempt status, and it provided a helpful listing of the many types of foundations that are available to the grantee.

The next chapter will discuss the research techniques used to either support or refute the working hypotheses. The next chapter will also outline the operationalization of the hypotheses in relation to the methods used and the evidence found in this research.

CHAPTER 5: METHODOLOGY

Purpose

Andy Robinson (2004, 34) stresses the importance of a well planned grant proposal by stating that if the grantee were to take the time to think about the project in detail and carefully plan the proposal, the grantee would have much to gain in two very important areas: focus and funding. Focus helps define goals and objectives, thereby making the project more successful with a potentially bigger impact. This focus can also lead to funding, which is the overall goal of every grantee.

This chapter describes the methodology used to determine the most desirable content contained within these proposals. As stated earlier in the literature review, once this material has been identified, the grantee is then able to do a better job of crafting the grant application to match the interests of the foundation. This chapter also presents and explains the operationalization of the working hypotheses listed in chapter 2.

Overview of Research Methodology

Again, the purpose of this applied research project is to explore the granting criteria most commonly used by public and private foundations that fund public health initiatives in the Austin, Texas area. To achieve the research purpose, interviews of foundation grant officers and executive directors were conducted. In addition, documents and archival records were examined. The investigation was directed by the working hypotheses.

An operationalization table follows that connects the five hypotheses along with the corresponding sub-hypotheses to the mode of observation (see Tables 4.1-4.5). Each hypothesis was tested using structured interview questions for the foundation officers, along with evidence from foundation documents. Of the eight foundations in the study, three requested anonymity. With the exception of the three anonymous foundations, information was collected from the following:

- Austin Community Foundation
- Hogg Foundation for Mental Health
- St. David's Community Health Foundation
- Silverton Foundation
- United Way of the Capital Area

These foundations were chosen based on their purpose, total number of grants awarded each year (in dollars), and reputation within the Austin community.

There were thirteen potential foundations to interview. Eight of the thirteen foundations were ultimately included in the study⁷. The next section briefly explains and justifies the research techniques used to satisfy the research purpose.

Research Technique

A case study design was used to test each set of working hypotheses. Three sources of data were used to test the hypotheses: document analysis, archival record analysis, and structured interviews. According to Yin, collecting evidence from multiple sources is recommended for case studies because it “allows an investigator to address a broader range of historical, attitudinal and behavioral issues” (1994, 98) thereby “triangulating” data to address the research purpose more completely (Yin 1994, 99).

According to Babbie (2001, 285) “the in-depth study of a particular case can yield explanatory insights.” For Burawoy, et al., the case study method has “the purpose of discovering flaws in, and then modifying, existing social theories” (Burawoy, et al., 1991, as cited in Babbie 2001, 285). As such, Burawoy, et al., view the case study method as a way to modify or enhance theory rather than approving or rejecting it. This research project seeks to improve the grant application process by revealing Babbie’s (2001, 285) ‘explanatory insights’ and using them as a resourceful tool for the grantee.

⁷ While attempting to interview the ninth foundation via a telephone interview (St. Luke’s Episcopal Health Charities) the interview had to be rescheduled due to inclement weather. Upon the second attempt to interview St. Luke’s Episcopal Health Charities, the phone system at St. Luke’s Hospital was down and the interview was not able to be conducted. As a result, the interview was not rescheduled due to such a late date.

The operationalization tables that follow summarize the connection between the data collection mechanisms and the working hypotheses. A narrative justifying each research technique and explaining the strengths and weaknesses follows the operationalization tables.

TABLE 4.1
OPERATIONALIZATION OF THE CONCEPTUAL FRAMEWORK
WH1: FOCUS AREAS

Working Hypotheses	Interview Questions	Documents to Analyze	Archival Record	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	1. Does the foundation have clearly defined goals and objectives?	Mission Statement		<ul style="list-style-type: none"> ◦ Documentation of internal procedures ◦ Clear focus areas found in mission statement
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	1. What types of organizations does the foundation accept applications from?	Mission Statement	Articles of Incorporation or Charter	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Evidence of the types of programs the foundation will fund
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	1. What types of organizations will the foundation not accept grant applications from?	Letter of Inquiry (LOI) Grant Application Meeting Minutes Letter of Rejection		<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Evidence of the types of programs the foundation will fund ◦ Candid discussion

TABLE 4.2
OPERATIONALIZATION OF THE CONCEPTUAL FRAMEWORK
WH2: SOCIAL NEED

Working Hypotheses	Interview Questions	Documents to Analyze	Archival Record	Evidence
WH2: Foundations provide funding for unmet social needs.	1. How does the foundation define its goals and objectives? 2. Under what set of guidelines does the foundation operate?	Mission Statement Researched statistics	Articles of Incorporation or Charter	<ul style="list-style-type: none"> ◦ Clearly defined goals and objectives ◦ Evidence that an unmet social need exists in the community
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	1. What are some of the social needs the foundation meets? 2. Does there have to be a lack of support in these areas before the foundation will become involved?	Grant Application LOI or Request for Proposal (RFP) Meeting Minutes		<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.	1. If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization?	Grant Application LOI or RFP Meeting Minutes		<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations

TABLE 4.3
OPERATIONALIZATION OF THE CONCEPTUAL FRAMEWORK
WH3: IMPACT

Working Hypotheses	Interview Questions	Documents to Analyze	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.	<ol style="list-style-type: none"> 1. What impact does the foundation want to have in the community? 2. Does it matter if the grant applicant has the same impact? 	Grant Application LOI or RFP Meeting Minutes	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.	<ol style="list-style-type: none"> 1. Does the foundation utilize observation techniques? If so, what techniques? 2. What does the foundation hope to accomplish by using these techniques? 	Site Visit Reports LOI or RFP Meeting Minutes	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations ◦ Clearly defined grant requirements
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.	<ol style="list-style-type: none"> 1. What future expectations does the foundation have of the grant applicant? 	Grant Application LOI or RFP Meeting Minutes Site Visit Reports	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations ◦ Clearly defined grant requirements

TABLE 4.4
OPERATIONALIZATION OF THE CONCEPTUAL FRAMEWORK
WH4: SUSTAINABILITY

Working Hypotheses	Interview Questions	Documents to Analyze	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	1. Does the foundation only concentrate on current funding for the grant applicant?	Grant Application Meeting Minutes Site Visit Reports LOI or RFP	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations ◦ Clearly defined grant requirements
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	1. Is it important to the foundation that the grant applicant exemplify a strong level of support?	Grant Application LOI or RFP	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	1. Do most of the organization's the foundation supports collaborate with other community partners?	Grant Application LOI or RFP	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations

TABLE 4.5
OPERATIONALIZATION OF THE CONCEPTUAL FRAMEWORK
WH5: FINANCIAL ACCOUNTABILITY

Working Hypotheses	Interview Questions	Documents to Analyze	Archival Record	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability.	1. Does the foundation require grant applicants to demonstrate financial accountability? 2. Will the foundation fund an organization that cannot demonstrate financial accountability?	Grant Application LOI or RFP Meeting Minutes		<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations ◦ Clearly defined grant requirements
WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.	1. What documents does the foundation require grant applicants to submit to demonstrate financial accountability?	Audited statements Grant Application LOI or RFP	Archived audited statements (if needed)	<ul style="list-style-type: none"> ◦ Consistent grant criteria used during decision making ◦ Candid discussion amongst foundation officers to reveal expectations ◦ Clearly defined grant requirements

Document Analysis

Operating in the public interest, foundations keep open records detailing their mission statement or focus areas within annual reports, and sometimes, meeting minutes. Foundations also sometimes utilize letters of inquiry (LOI's), grant applications, and requests for proposals (RFP's) to solicit interest in grants. These granting tools are used to produce grant proposals, letters of rejection/acceptance, and audited statements used in the granting process. These documents were examined using the working hypotheses as a guide.

Analysis of documents such as meeting minutes, mission statements, and grant applications revealed the grant criteria foundations use to make funding decisions. In addition, viewing grant proposals and letters of acceptance allowed a connection to be made between how grant proposals were constructed and which non profits actually received the grants. This was one of the first steps that were used to support or deny Working Hypothesis 1 & 3.

Document analysis has its flaws, however. According to Yin (2003, 86), when analyzing documentation the researcher may be faced with restricted access, reporting bias, and low retrievability. Under federal tax law, most of the documents chosen for analysis (i.e., audited statements and meeting minutes) fall within the boundaries of the open records law and are subject to public scrutiny. Although foundations have the right to refuse access to these records by the general public, these records are also audited by the federal government, therefore limiting biased reporting.

To circumvent these issues, document analysis was used in tandem with interviews.

Documents analyzed included:

- Mission statements
- Articles of Incorporation or Charters
- Annual reports
- Letters of Inquiry (LOI's)
- Grant applications
- Meeting minutes
- Letters of rejection
- Request for Proposals (RFP's)
- Audited statements

- Site visit reports

Archival Record Analysis

Archival record analysis was used as another form of evidence to test the working hypotheses. Archived records are documents that are filed and stored for future use. There are several advantages to using this type of research method. To start, the persons having documented the information may have already made observations on the subject matter and their report may provide a promising place to begin or a “jumping-off point for more in-depth research” (Babbie 2001, 325).

Archival record analysis is helpful because it can trace organizational patterns over time. For example, analysis of a foundation’s charter or archived annual reports can reveal the granting patterns the foundation has undergone over time. This is especially useful to the non profit organization applying for a grant. It provides nonprofits with information that can help them tailor their proposals to the interests of the foundation as well as shed light on any outdated information the non profit may be submitting.

For example, analyzing the foundation’s charter or articles of incorporation and comparing them to grant proposals shows whether or not there is a connection between the focus areas of the foundation and those of the non profit organizations receiving the grants. It is the intent of this applied research project to discover a link between these two areas (see WH1a).

However, Babbie warns of shortcomings of archival record analysis. According to Babbie (2001, 325), archived records are not always valid and notes, “[the researcher’s] protection lies in replication: in the case of historical research, that means corroboration. If several sources point to the same set of ‘facts,’ [the researcher’s] confidence in them might reasonably increase.” As such, thirteen foundations were contacted for an interview in search of likeness

Just like document analysis, archival records may contain reporting bias or restricted access. To avoid these problems, an attempt was made to obtain information from more than one source and schedule interviews with foundation officers that had a good working relationship with St. David's Community Health Foundation.

Structured Interviews

Babbie (2001, 9) asserts that most social research includes some type of interaction with the subject matter. Interviewing can be done in a face-to-face manner or by telephone, whichever is most appropriate. Interviewing the officers and directors of the foundation allowed for direct observation of respondents as well as the ability to ask them questions.

Interviews were conducted either face-to-face or over the phone, whichever was appropriate at the time. Interview questions were formed based on the corresponding working hypotheses and sub-hypotheses. For example, WH3a asserts that foundations conduct site visits with the purpose of evaluating the potential impact funding will have on the grantee. The corresponding interview question (questions 1 & 2) asks foundation officers whether or not they use observation techniques (i.e., site visits), and if so, what the foundations hopes to accomplish by taking these measures.

Interviewing the grant officers of the foundation increased the potential to "attain higher response rates [compared to] mail surveys" (Babbie 2001, 258). As Babbie points out, "respondents seem more reluctant to turn down an interview...than to throw away a mailed questionnaire" (Babbie 2001, 258).

Interviewers can also explain ambiguous or confusing questionnaire items (Babbie 2001, 258). This cuts down on the number of unanswered questions. The interviewer also serves as a great resource for the respondent, allowing him/her to ask for clarity about the intent of the question. Yin (2003, 86) also notes that interviews have the potential to reaffirm or shed light on what is identified in documents and archival analysis.

Nevertheless, Babbie (2001, 9) cautions about the dangers of interviews.

There is a concomitant danger that accompanies such intrusions into the flow of social life:

The act of research may influence the subject of study itself. By asking people about their voting intentions, we probably influence those intentions in some degree, perhaps making respondents more definite in their choices by getting them to commit themselves out loud.

(Babbie 2001, 9)

Sample

The study sample for this research included with only foundation personnel directly related to grant decision making. The unit of analysis in this research was grant officers and executive directors. An attempt was made to interview board members, but the request was repeatedly denied or avoided. The sample contained only grant officers and executive directors who work for foundations that fund public health initiatives within the Austin, Texas area.

The following chart lists the grant officers and executive directors (EDs) interviewed for this research project (contact information contained in Appendix II):

Organization	Contact Information
Austin Community Foundation for the Capital Area	Richard Slaughter Executive Director www.austincommunityfoundation.org
Hogg Foundation for Mental Health	Carolyn Young Executive Associate & Grant Coordinator www.hogg.utexas.edu
Silverton Foundation	Andy White Executive Director www.silvertonfoundation.org
St. David's Community Health Foundation	Genie Nyer Director of Public Health Initiatives www.sdchf.org
United Way of the Capital Area	Michelle Krejci-Huck Senior Director of Community Investments www.unitedwaycapitalarea.org
ANONYMOUS FOUNDATION 1	
ANONYMOUS FOUNDATION 2	
ANONYMOUS FOUNDATION 3	

Additional study samples included document analysis and archival record analysis.

Documents reviewed included grant proposals, grant applications, letters of inquiry, mission statements, letters of rejection, budget and expenses, etc.

Interview Procedure

Both the grant officer and the development officer at St. David's Community Health Foundation were asked to provide names and titles of the respondents the officers felt would readily provide honest answers. A letter of intent was sent to all individuals identified as potential interviewees in August 2006 introducing the interviewer and providing details about the research.

Upon securing the officer's approval at St. David's Community Health Foundation, a letter was mailed to each foundation on the aforementioned list (as well as the foundations requesting anonymity) explaining the research and asking the officers to give the utmost priority to the project when called upon. Since each foundation involved in this research project had either joined forces or collaborated with St. David's Community Health Foundation, the listed foundation's grant officers were more likely to willingly join the research effort.

All interviews were conducted either in person or over the phone – two interviews were via phone, while the remaining six were in person. Six of the eight interviews were recorded. One executive director asked that the interview not be recorded. Interviews were conducted between September 8 and September 29, 2006.

Human Subjects Protection

The Texas State University Institutional Review Board (IRB) requires that projects involving human subjects be approved prior to collecting data. Ms. Becky Northcut, IRB Compliance Specialist, exempted this research on August 23, 2006. In addition, the Informed Consent Statement given to each officer and ED contained contact information for the Texas

State University MPA Advisor, Dr. Patricia Shields, and IRB Chair, Craig Hanks, as well as a description of the voluntary nature of the interview (as shown in Appendix III).

The next chapter outlines the results of the multiple research techniques employed to identify the most commonly used granting criteria by public and private foundations that fund public health initiatives in the Austin, Texas area. The grant process is commonly used by many non profits and foundations. The organizations utilizing this process range from non profits focused on home buying to education, and more. The focus of this case study, however, was solely on health care initiatives and services within the public and private non profit arena.

CHAPTER 6: RESULTS

Purpose

This applied research project explored the grant processes of eight foundations that fund public health initiatives in the greater Austin, Texas area to find out what these foundations considered to be the most desired characteristics of a non profit organization. It is these characteristics and abilities that carry the heaviest weight when deciding which organizations to fund. The research purpose was accomplished by testing five working hypotheses relating to Focus Areas (WH1), Social Needs (WH2), Impact (WH3), Sustainability (WH4), and Financial accountability (WH 5).

The purpose of this chapter is 1) to provide narratives discussing all documents, archival data, and structured interviews conducted and analyzed to find the level of support for each sub-hypothesis and overall support of each working hypothesis and 2) to provide tables accompanying each narrative outlining the actual degree of support for each.

This applied research project used structured interviews, documents, and archival data (when available) extracted from foundations that fund public health initiatives. All foundations are located in the Austin, Texas area. A number of the foundations examined are located outside of Austin but often fund initiatives within the Austin area⁸.

The levels of support for each hypothesis and sub-hypothesis were determined based on the available evidence. The levels of support ranged from “weak” to “very strong.” If there was insufficient evidence, or the evidence provided yielded both positive and negative results at the same time, a rating of “mixed” was given to each hypothesis or sub-hypothesis that fell within this category.

⁸ In addition, some of the foundations contacted fund initiatives in addition to public health such as education and conservationism.

WORKING HYPOTHESIS 1: FOCUS AREAS

WH1: FOUNDATIONS MAINTAIN INTERNAL FOCUS AREAS THAT DIRECT THE FOUNDATION'S FUNDING DECISIONS.

Austin Community Foundation (ACF)

ACF's Level of Support for WH1, WH1a, and WH1b: VERY STRONG

Document Analysis

Austin Community Foundation is very unique in that ACF does not have an established set of focus areas. The foundation operates as a unique, not-for-profit connection between donors and a broad spectrum of philanthropic causes. The foundation manages over 500 charitable funds whereby the donor dollars are spread as far as possible on a wide array of community issues.

As stated in ACF's mission statement, the job of the foundation is to "make these funds grow so that they flow back into the community to support **a wide range of charitable efforts,**" not just one (found on the ACF website⁹, 2006). Given this information, ACF's "focus" is *not to have a focus*.

If ACF's mission statement had a broad focus, but ACF continuously funded a narrow range of initiatives, ACF would be inconsistent with its mission. ACF consistent funding of a broad range of activities provides strong support in favor of WH1.

Archived Data

According to ACF's 2004¹⁰ Annual Report, ACF made charitable contributions to over 60 nonprofit organizations ranging in areas of interest (animal protection, health care, sports, conservation, etc.). Unfortunately, there was no other archived data available from which to extract information on the subject of focus areas. Therefore, the level of support for WH1 is mildly strong.

⁹ For purposes of this applied research project, website documents were used when it was impossible to obtain actual documentation from the foundations interviewed.

¹⁰ This is the most current annual report Austin Community Foundation had to offer.

Structured Interview

In a taped conversation with Mr. Richard Slaughter, Executive Director for Austin Community Foundation on August 30, 2006, Mr. Slaughter stated, “Not all foundations work alike. Austin Community Foundation’s focus is on the community of Austin [as a whole]. We work hard not to have an established set of procedures,” thereby reinforcing ACF’s mission to fund a large range of initiatives.

Given this information, Mr. Slaughter’s comments provide a strong level of support for WH1, WH1a, and WH1b (see Table 6.1).

TABLE 6.1 – RESULTS FOR WH1: FOCUS AREAS**Austin Community Foundation**

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement	2004 Annual Report	<p>Q: Does the foundation have clearly defined goals and objectives?</p> <p>A: The foundation funds a broad range of areas.</p>	<ul style="list-style-type: none"> ◦ Broad funding initiatives listed in 2004 Annual Report. ◦ Clear focus areas found in mission statement.
Level of Support				Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	No document provided evidence	No archived data provided evidence	<p>Q: What types of org's does the foundation accept applications from?</p> <p>A: ACF maintains open funding.</p>	<ul style="list-style-type: none"> ◦ Conversation with ED revealed consistent grant criteria used during decision making. ◦ ED provided evidence of the many programs the foundation will fund, thereby enforcing the mission statement.
Level of Support				Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	No document provided evidence	No archived data provided evidence	<p>Q: What types of org's will the foundation not accept grant applications from?</p> <p>A: Will not fund Operating expenses, fiscal agents, endowment funds, religious organizations, etc.</p>	<ul style="list-style-type: none"> ◦ ED provided a list of programs ACF will not fund. ◦ The list provided strong evidence of the focus areas outside of ACF's funding parameters.
Level of Support				Strong
OVERALL SUPPORT				VERY STRONG

Hogg Foundation for Mental Health

Hogg Foundation's Level of Support for WH1, WH1a, and WH1b: VERY STRONG

Document Analysis¹¹

The Hogg Foundation funds three sets of mental health initiatives – Integrated Mental and Physical Health Care, Culturally and Linguistically Competent Mental Health Services, and Mental Health Workforce Development. The Hogg Foundation's "Hogg Family History" contains estate documents that both direct and constrain funding. The directives state that all monies from the Hogg Foundation endowment are to fund mental health initiatives *only* within the Austin, Texas area.

The foundation is a public endowment given to the University of Texas by the Hogg family in 1930. The fund's intent, stated above, was directed by Miss Ima Hogg before her death in 1975 and cannot be changed. The foundation's set of focus areas are firm, thereby providing ample evidence in support of WH1.

Structured Interview

Ms. Carolyn Young, Executive Associate and Grant Coordinator for the Hogg Foundation for Mental Health, stated that the Hogg Foundation's funding is based solely on the donor's intent – mental health issues. The foundation focuses on how the fund can effectively deal with the leading problems of today.

Although this umbrella provides the foundation with a great amount of flexibility when defining mental health issues, it does not provide flexibility to fund other initiatives. Based on the interview responses of Ms. Young along with the documented evidence, the Hogg Foundation provides a strong level of support for WH1, WH1a, and WH1b WH1. The evidence is documented in Table 6.2.

¹¹ No archived data was provided to support this hypothesis.

TABLE 6.2 – RESULTS FOR WH1: FOCUS AREAS
Hogg Foundation for Mental Health

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement Strategic Priorities	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	<ul style="list-style-type: none"> ◦ Documentation of internal procedures listed in Strategic Priorities. ◦ Clear focus areas found in mission statement.
Level of Support			Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement Strategic Priorities	Q: What types of org's does the foundation accept applications from? A: Mental health issues within universities, children, families, etc.	<ul style="list-style-type: none"> ◦ Grant Coordinator provided sufficient evidence of the narrow range of issues the foundation will fund. ◦ Strategic priorities provide a clear list of initiatives the foundation not fund. These initiatives lie outside of the foundation's focus areas.
Level of Support			Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Request for Proposal Grant Application	Q: What types of org's will the foundation not accept grant applications from? A: The foundation will not fund any new organizations.	<ul style="list-style-type: none"> ◦ The RFP and grant application provides a definitive list of initiatives the foundation considers a priority. ◦ Candid discussion with the Grant Coordinator provided evidence that the foundation cannot fund initiatives outside of mental health – this would violate the donor's intent.
Level of Support OVERALL SUPPORT			Strong VERY STRONG

St. David's Community Health Foundation**St. David's Foundation's Level of Support for WH1, WH1a, and WH1b: VERY STRONG****Document Analysis**

According to St. David's Community Health Foundation's mission statement, the foundation aims to improve the health of Central Texans through leadership, strategic granting, education, and collaboration around public health issues. The foundation is not open to funding other public initiatives at this time. Therefore, there is a strong level of support for WH1.

Archived Data

St. David's Community Health Foundation is an extension of the St. David's hospitals in Austin, Texas. According to the St. David's charter, it is the only philanthropic arm of the hospital. Founded in 1980, the initial mission of the foundation was to raise money in the community to be placed back into the operation of the hospital.

Although its mission has changed somewhat, St. David's still has a charitable mission of supporting community initiatives by funding direct health care related services. True to the founding fathers' initial mission, St. David's will only fund public health initiatives, thereby providing a strong level of support for WH1.

Structured Interview

In a recorded interview with Ms. Genie Nyer, Director of Public Health Initiatives for St. David's Community Health Foundation on September 22, 2006, the board of directors for St. David's Foundation underwent extensive strategic planning several years ago. At that time, St. David's Foundation decided to expand its funding to a larger segment of the population to include special populations such as older adults, oral health care for children, and mental health initiatives.

However, the board was unanimous in deciding that St. David's Foundation continue its focus on public health initiatives. According to Ms. Nyer, no other programs need apply. Given these statements along with the documents analyzed, there is a strong level of support for WH1, WH1a, and WH1b (see Table 6.3).

TABLE 6.3 – RESULTS FOR WH1: FOCUS AREAS
St. David's Community Health Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement	Foundation charter	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	◦ Clearly defined focus areas found in mission statement.
Level of Support				Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement	Foundation charter	Q: What types of org's does the foundation accept applications from? A: Health care organizations.	◦ Consistent grant criteria found in the foundation's charter. ◦ Charter also provided evidence of the types of programs the foundation will fund.
Level of Support				Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Letters of Inquiry Grant Applications Letters of Rejection	Archived Letters of Inquiry Archived Grant Applications Archived Letters of Rejection	Q: What types of org's will the foundation not accept grant applications from? A: Anyone not dealing in health care.	◦ Letters of rejection documented focus areas as one of the reasons the foundation denied funding requests. ◦ LOI's and the grant application provided a definitive list of initiatives the foundation would fund – all others need not apply.
Level of Support OVERALL SUPPORT				Strong VERY STRONG

Silverton Foundation

Silverton Foundation's Level of Support for WH1, WH1a, and WH1b: VERY STRONG

Document Analysis

The Silverton Foundation's mission statement is as follows: "Through our [Silverton's] granting, we strive to empower disadvantaged people by funding initiatives in the areas of health, education, social services, and economic development" (found on the Silverton Foundation website, 2006). Although the foundation is very liberal in its giving areas, grant applicants have to show evidence of helping the working poor obtain a better way of life. Given this narrow focus on the working poor, Silverton's mission statement provides sufficient evidence in support of WH1.

Archived Data

The articles of incorporation that are filed with the Texas Secretary of State states "the corporation [Silverton Foundation] is organized and shall be operated and administered exclusively for charitable, religious, educational, and scientific purposes..." Although these parameters are broad and most organizations would have little resistance fitting into one of these categories, the parameters are defined nonetheless. Such data provides strong support in favor of WH1.

Structured Interview

In a taped conversation with Mr. Andy White, Executive Director of the Silverton Foundation on September 20, 2006, Mr. White stated that there are specific outcomes Silverton hopes to accomplish with its grants. The overall mission of the Silverton Foundation is to improve the lives of the working poor by enabling them to have access to adequate healthcare, education, social services, and more.

Since the focus of the foundation is strategically set on the working poor, this provides favorable evidence in support of WH1, thereby providing strong evidence in favor of WH1a and WH1b (see Table 6.4).

TABLE 6.4 – RESULTS FOR WH1: FOCUS AREAS
Silverton Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement Philosophy of Giving	Articles of Incorporation	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	<ul style="list-style-type: none"> ◦ Documentation of grant procedures and priority funding found in Philosophy of Giving. ◦ Clear focus areas found in mission statement.
Level of Support				Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement Philosophy of Giving	Foundation Charter	Q: What types of org's does the foundation accept applications from? A: The foundation accepts requests from organizations that improve the lives of the working poor.	<ul style="list-style-type: none"> ◦ Definitive grant criteria found mission statement and foundation charter. ◦ Evidence of the types of programs the foundation will fund found in Philosophy of Giving.
Level of Support				Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	No document provided evidence	No archived data provided evidence	Q: What types of org's will the foundation not accept grant applications from? A: Non-501(c)3's and non-governmental organizations, et al.	<ul style="list-style-type: none"> ◦ Candid discussion with ED revealed that foundation's focus areas are set – the donor's intent for the funds remains unchanged. ◦ ED provided a list of programs the foundation will not fund.
Level of Support OVERALL SUPPORT				Strong VERY STRONG

United Way's Level of Support for WH1, WH1a, and WH1b: VERY STRONG**Document Analysis¹²**

The United Way's Community Investment Goals and Desired Outcomes worksheet outlines United Way's focus areas in the community as follows: 1) Basic Needs and Security, 2) Lifelong Learning and Development, and 3) Health and Wellness. United Way's goal is to "provide access to vital needs that foster self-sufficiency and striving to make Central Texas homes, neighborhoods, schools, and communities safe and secure" (taken from the United Way Community Investment Goals and Desired Outcomes worksheet). United Way's strategic efforts provide strong evidence in support of WH1.

Structured Interview

Michelle Krejci Huck, Senior Director of Community Investments for the United Way Capital Area, indicated that every five years United Way assesses the needs of the community and defines its priorities to achieve desired outcomes. All grant applicants must meet at least one of the desired outcomes to be considered for a grant.

In light of Michelle's comments, it is obvious that the United Way's focus areas provide sufficient evidence in favor of WH1, WH1a, and WH1b (see Table 6.5).

¹² No archived data was provided to support this hypothesis.

TABLE 6.5 – RESULTS FOR WH1: FOCUS AREAS
United Way Capital Area

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement Vision Statement	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	◦ Clear focus areas found in mission statement and vision statement.
Level of Support			Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement Vision Statement	Q: What types of org's does the foundation accept applications from? A: 501(c)3's meeting community needs pertaining to health and human services.	◦ Definitive grant criteria found in mission and vision statement. ◦ Evidence of the types of programs the foundation will fund listed in mission and vision statement.
Level of Support			Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Grant Application Review Criteria Investment Funding Policy Goals and Desired Outcomes Guiding Principals for Decision Making	Q: What types of org's will the foundation not accept grant applications from? A: Non-501(c)3's, individuals, and any organization that does not deal with health and human services.	◦ Consistent grant criteria listed in grant application, Investment Funding Policy, and Guiding Principals for Decision Making. ◦ Evidence of the types of programs the foundation will fund listed in grant application, Review Criteria, Investment Funding Policy, and Goals and Desired Outcomes.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Anonymous Foundation 1

Anonymous Foundation 1's Level of Support for WH1, WH1a, and WH1b: MIXED

Structured Interview¹³

A taped interview was conducted with the trustee of a small, family-run foundation based out of Houston, Texas on September 28, 2006. The trustee requested anonymity for both the foundation and himself. Although the foundation originated in Houston, the family made a firm decision to extend its funding to other areas of Texas, including Austin.

The mission of the foundation is very broad in that there are no limits to the types of projects or programs the foundation will fund. Although the foundation has a very strong connection with funding children and education, and conservation and environmental issues, a trustee can bring virtually anything to the table for approval. The only stipulation is that the foundation feels it has to be a need the foundation is capable of meeting.

Because the parameters of the foundation are broad enough to include open funding of virtually any worthwhile project, the level of support for WH1 is seen as weak. The overall level of support for WH1, WH1a, and WH1b is mixed (see Table 6.6).

¹³ No documents or archived data was provided to support this hypothesis.

TABLE 6.6 – RESULTS FOR WH1: FOCUS AREAS
Anonymous Foundation 1

Working Hypotheses	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	<p>Q: Does the foundation have clearly defined goals and objectives?</p> <p>A: Yes; but the foundation maintains open funding – anyone can apply.</p>	<p>◦ Foundation Trustee provided clear focus areas during conversation.</p>
Level of Support		Weak
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	<p>Q: What types of org's does the foundation accept applications from?</p> <p>A: Including, but not limited to, children and education, conservation and environmental issues, et al.</p>	<p>◦ Trustee provided the foundation's grant criteria utilized in decision making.</p> <p>◦ Trustee stated that the grant process is by invitation-only – the program officers want to know the initiative being funded fits within the foundation's focus areas.</p>
Level of Support		Weak
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	<p>Q: What types of org's will the foundation not accept grant applications from?</p> <p>A: The foundation will not fund a project where the project cannot specify a particular need.</p>	<p>◦ Trustee provided evidence of the types of programs the foundation will not fund.</p>
Level of Support		Neutral
OVERALL SUPPORT		MIXED

Anonymous Foundation 2

Anonymous Foundation 2's Level of Support for WH1, WH1a, and WH1b: STRONG Document Analysis¹⁴

In a taped interview on September 21, 2006 with the program officer of a mid-sized family-run foundation based out of Austin, Texas, the program officer requested anonymity for both the foundation and herself.

It is the goal of the foundation to inspire self-sufficiency in individuals with limited economic or social resources. The foundation's mission is to connect people to the tools and resources people need to build self-sufficient and fulfilling lives. To do this, the foundation identified five key program areas to direct their giving: child abuse prevention and treatment, youth enrichment, job training and support services, children's health, and aging in place.

The focus areas listed above provide adequate evidence in support of WH1.

Structured Interview

In the interview, the program officer provided a detailed list of the foundation's focus areas (mentioned above). According to the program officer, there is no flexibility to range anywhere outside of these areas.

In addition, the foundation will only fund public health initiatives such as child abuse prevention, children's health and aging in place in the Greater Austin and Chicago area. Since the foundation maintains a strategic list of goals and initiatives, there is a good amount of evidence to support WH1, WH1a, and WH1b (see Table 6.7).

¹⁴ No archived data was provided to support this hypothesis.

TABLE 6.7 – RESULTS FOR WH1: FOCUS AREAS
Anonymous Foundation 2

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	<ul style="list-style-type: none"> ◦ Funding initiatives clearly stated in the foundation's mission statement.
Level of Support			Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement	Q: What types of org's does the foundation accept applications from? A: Any org's working to make the lives of the working poor better.	<ul style="list-style-type: none"> ◦ Program Officer admitted the foundation has a narrow focus on funding programs that are focused on the working poor.
Level of Support			Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Grant Application	Q: What types of org's will the foundation not accept grant applications from? A: Individuals, school districts, tax entities, and cities or counties; will not fund programs that are outside of the Greater Austin or Chicago area.	<ul style="list-style-type: none"> ◦ Program Officer provided a list of grant criteria used during decision making. ◦ Program Officer listed the geographical areas for funding. The foundation will not fund outside of these areas, thereby providing strong support for WH1.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Anonymous Foundation 3

Anonymous Foundation 3's Level of Support for WH1, WH1a, and WH1b: VERY STRONG

Document Analysis¹⁵

In a taped interview on September 29, 2006 with the Executive Director and Project Manager of a mid-sized family foundation in Austin, Texas, the Executive Director requested anonymity for both the foundation and himself.

Since the three years the foundation has been in Austin, the foundation has evolved considerably and has directed its focus on enriching the lives of youths in disadvantaged areas of the city. This is done through a focus on education, safe neighborhoods, adequate health care, and a host of other initiatives.

The foundation has an inclusive granting process but narrows its focus to one area: youth. Having such a targeted focus on youth enrichment provides sufficient evidence in support of WH1.

Structured Interview

In the interview, the Executive Director was very open by stating that the foundation was founded with a heart for children. The founders of the project once lived in Africa and saw the disadvantages first-hand of some of the poorest youths in the world. This image changed the mind and heart of the founders for an eternity.

Since its inception, the foundation has expanded its reach to Australia, London, and Texas. Hence, there is clear evidence to support WH1, WH1a, and WH1b (see Table 6.8).

¹⁵ No archived data was provided to support this hypothesis.

TABLE 6.8 – RESULTS FOR WH1: FOCUS AREAS
Anonymous Foundation 3

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH1: Foundations maintain internal focus areas that direct the Foundation's funding decisions.	Mission Statement	Q: Does the foundation have clearly defined goals and objectives? A: Yes.	<ul style="list-style-type: none"> ◦ Clearly defined focus areas found in mission statement.
Level of Support			Strong
WH1a: Foundations want to see a direct connection between the foundation's focus area(s) and the potential grantee's focus area(s).	Mission Statement	Q: What types of org's does the foundation accept applications from? A: Any organization with a focus on youth.	<ul style="list-style-type: none"> ◦ Mission statement provided a complete list of grant criteria required to submit a grant proposal. ◦ Mission statement provided clear evidence of the types of programs the foundation will fund.
Level of Support			Strong
WH1b: Foundations will accept proposals from a potential grantee only if the grantee's focused area(s) of need is within the foundation's focused area(s) of need.	Grant guidelines	Q: What types of org's will the foundation not accept grant applications from? A: The foundation will not accept applications from religious institutions, individuals, scholarships, et al.	<ul style="list-style-type: none"> ◦ Grant guidelines provided a list of programs and initiatives the foundation will not fund. ED provided this list during discussion as well.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Overall Level of Support for WH1 from All Foundations: VERY STRONG

WORKING HYPOTHESIS 2: SOCIAL NEEDS

WH2: FOUNDATIONS PROVIDE FUNDING FOR UNMET SOCIAL NEEDS.

Overall Level of Support for WH2 from All Foundations: VERY STRONG

Austin Community Foundation (ACF)

ACF's Level of Support for WH2, WH2a, and WH2b: MIXED

Document Analysis

ACF's request for proposals (RFP) statement on the ACF website (2006) documents the necessity that organizations submit the area of need for which the organization is seeking funds as well as the amount of money the organization deems necessary to meet these needs. ACF does not have to see a lack of support in these areas before ACF will become involved, thereby refuting WH2a. The level of support for this sub-hypothesis is weak.

The grant proposals provided further evidence that the majority of organizations applying for a grant from ACF were able to demonstrate projected outcomes in the community. ACF grant coordinators' and directors' written comments contained within the proposals showed positive feedback when seeing documented projected outcomes.

One of ACF's requirements in its grant guidelines is that an organization show it is "likely to have a substantial impact on the quality of life of a significant number of people in the community" (found on the ACF website, 2006). The level of support for WH2b is strong because ACF "encourages" grant requests from programs of this nature (taken from the document titled, "Grant Guidelines," found on the ACF website, 2006).

Archived Data

ACF was generous in allowing access to archived grant proposals. The grant proposals ranged from January 2006 to August 2006. A number of these funded proposals documented an unmet need in several areas (children's health, oral health, education, etc.). However, there was not sufficient evidence to prove that a lack of support in these areas had to be present for

ACF to become involved. Therefore, the archived data did not provide sufficient evidence to support WH2a.

Archived grant proposals demonstrated a heavy concentration on projected outcomes in the community once the social need was met. These outcomes appeared to strengthen the organization's chances of securing funding from ACF due to the positive comments recorded by grant coordinators and directors. Therefore, the level of support for WH2b is strong.

Structured Interview

Mr. Richard Slaughter, Executive Director of ACF, made it obvious that ACF does not buy into the philosophy of having to fulfill an *unmet* need in the community. When asked if there has to be a lack of support in any area of social need for ACF to fund a program, Mr. Slaughter responded by saying, "Absolutely not. We (ACF) like to take what is good and make it more accessible. It's as simple as that" (taken from the taped conversation with Mr. Richard Slaughter, Executive Director, Austin Community Foundation, August 30, 2006). As you will see in Table 6.9, support for WH2a is weak.

Mr. Richard Slaughter engaged in open conversation by stating that ACF likes to "sprinkle funding," in a sense, on various worthy organizations and causes. ACF feels it will have more of an impact this way. The main idea here is: what programs can ACF fund to make a significant difference in the overall well-being of the community? More money means the capability to fund more programs, and funding more programs means more impact in various areas of philanthropy. As shown in Table 6.9, the overall level of support in this area for WH2, WH2a, and WH2b is considerably strong (see Table 6.9).

TABLE 6.9 – RESULTS FOR WH2: SOCIAL NEED
Austin Community Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	Mission Statement Request for Proposal	2004 Annual Report	Q1: How does the foundation define its goals and objectives? A1: Very broadly. Q2. Under what set of guidelines does the foundation operate? A2: According to the foundation's mission and under the directives of the foundation's Board of Trustees.	<ul style="list-style-type: none"> ◦ Mission statement provided clearly defined goals and objectives. ◦ RFP outlines the foundation's mission to fulfill social needs in the community.
Level of Support				Neutral
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	Request for Proposal Grant Proposal	Archived grant proposals	Q1: What are some of the social needs the foundation meets? A1: The foundation supports a wide range of charitable efforts (healthcare, education, etc.). Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: No.	<ul style="list-style-type: none"> ◦ Grant proposals reviewed showed evidence of unmet community need. ◦ ED revealed in conversation that an unmet social need does not have to exist for the foundation to permit funding.
Level of Support				Weak
WH2b: Foundations want the potential grantee to demonstrate the outcomes in the community if the social need is met.	Request for Proposal Grant Proposal	Archived grant proposals	Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes.	<ul style="list-style-type: none"> ◦ Notes found in grant proposals documented consistent grant criteria used during decision making. Positive community outcomes were looked upon favorably. ◦ Candid discussion with ED revealed the foundation's desire to see community outcomes in the grant proposal.
Level of Support				Strong
OVERALL SUPPORT				MIXED

Hogg Foundation for Mental Health

Hogg Foundation's Level of Support for WH2, WH2a, and WH2b: VERY STRONG

Document Analysis¹⁶

The Hogg Foundation's purpose is to meet the needs of a neglected population of minority citizens. The Hogg Foundation's cultural adaptation RFP states that "public and private mental health systems have been slow to address the needs of the burgeoning population" of Latinos, Asian Americans, African Americans, and Native Americans (found on the Hogg Foundation website, 2006).

The RFP also notes that people of color "experience significant disparities in their access to mental health services" as a result. According to these statements, it is apparent that the Hogg Foundation's effort to improve access to quality care provides a strong level of support for WH2a.

Each year, the Hogg Foundation provides a list of items to be included in each grant proposal. The list is very specific pertaining to projected outcomes of service delivery. A few of the items to be included in each grant proposal include, but are not limited to, the following:

- Documentation of the appropriate assessment and **outcome measurement instruments**
- A plan for **monitoring success**
- The **target population**
- Number of **persons served**, and
- The **target psychiatric diagnosis and expected range of severity**

All of these items are included in the grant process in an effort to measure program success. The grant applicant, however, has to demonstrate the projected outcomes first in order to be considered for funding. Therefore, WH2b has a strong level of support from the Hogg Foundation.

Structured Interview

¹⁶ No archived data was provided to support this hypothesis.

Ms. Young stated that there are only three foundations in the U.S. whose sole concentration is on mental health. These foundations can be found in Texas, Pennsylvania, and New York. The Hogg Foundation is a trail blazing foundation with the hope of fulfilling a historically significant unmet need. The lack of interest and funding of mental health issues combined with the foundation's sole mission to improve the mental health of all state-wide residents of Texas provides strong evidence in support of WH2a.

Ms. Young further verified the evidence above by stating that the Hogg Foundation has a history of funding initiatives that exemplified identifiable outcomes within the grant proposal. Otherwise, the foundation's funds would be significantly wasted on programs that are not able to predict desired outcomes in the community. This information, along with the information listed in Table 6.10, provides strong support for WH2, WH2a, and WH2b (see Table 6.10).

TABLE 6.10 – RESULTS FOR WH2: SOCIAL NEED
Hogg Foundation for Mental Health

Working Hypotheses	Document Analysis	Interview Response	Evidence
<p>WH2: Foundations provide funding for unmet social needs.</p>	<p>Mission Statement</p> <p>Vision Statement</p> <p>Foundation Value Statement</p>	<p>Q1: How does the foundation define its goals and objectives? A1: Through donor intent.</p> <p>Q2: Under what set of guidelines does the foundation operate? A2: Unmet social needs.</p>	<ul style="list-style-type: none"> ◦ Mission and vision statement clearly defines the foundation's intent to fulfill unmet social needs. ◦ The Foundation Value Statement outlines untreated mental health issues in the community and lists the measures the foundation is taking to meet those needs.
Level of Support			Strong
<p>WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.</p>	<p>Request for Proposal</p> <p>Grant Application</p>	<p>Q1: What are some of the social needs the foundation meets? A1: Mental health only.</p> <p>Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: No, there can be just an unmet need and the foundation may become involved.</p>	<ul style="list-style-type: none"> ◦ Grant application provides space for describing community needs. ◦ Candid discussion with Grant Coordinator to reveal the foundation's expectations.
<p>WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.</p> <p>Level of Support</p> <p>OVERALL SUPPORT</p>	<p>Request for Proposal</p> <p>Grant Application</p>	<p>Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes.</p>	<p>Strong</p> <ul style="list-style-type: none"> ◦ RFP requires all grant proposals to list community outcomes if funded. ◦ Grant application requires a strategic plan for community outcomes from every applicant. <p>Strong</p> <p>VERY STRONG</p>

St. David's Community Health Foundation**St. David's Foundation's Level of Support for WH2, WH2a, and WH2b: MIXED****Document Analysis**

St. David's Community Health Foundation's mission statement is simply to improve the health of all Central Texans. Nowhere does it appear in the foundation's mission statement that the need has to be largely unmet for the foundation to become involved. Therefore, the level of support for WH2 is somewhat weak.

Archived data

St. David's Community Health Foundation was created by concerned members of the Austin community when they realized there was an unmet need in the area of health care. The funds that were raised in the community were placed back into the hospital system to provide uncompensated care for indigent people (taken from archived meeting minutes).

However, although St. David's Foundation's mode of operation has changed throughout the years, the mission has remained the same – to improve the overall health of Central Texans community-wide.

Therefore, the archived data provides evidence in support of WH1.

Structured Interview

In a taped interview with Ms. Genie Nyer, Director of Public Health Initiatives, Ms. Nyer pointed out that although St. David's Foundation has been known to fund health care initiatives that are largely ignored by the health care industry, there does not have to be a lack of funding or an unmet need to exist before the foundation becomes involved. In light of this information, the level of support for WH2 is neutral. Therefore, the overall level of support for WH2, WH2a, and WH2b is mixed (see Table 6.11).

TABLE 6.11 – RESULTS FOR WH2: SOCIAL NEED
St. David's Community Health Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	Mission Statement	Foundation charter	<p>Q1: How does the foundation define its goals and objectives? A1: Through the foundation's charter.</p> <p>Q2. Under what set of guidelines does the foundation operate? A2: Although the foundation will fund unmet health care needs, there does not have to be a lack of funding for the foundation to become involved.</p>	<ul style="list-style-type: none"> ◦ Clearly defined goals and objectives in mission statement. ◦ Conversation with Public Health Director revealed that the need in the community does not have to be ignored for the foundation to become involved.
Level of Support				Neutral
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	<p>Grant Applications</p> <p>Request for Proposal</p> <p>Grant Proposals</p>	<p>Archived Grant Applications</p> <p>Archived Requests for Proposals</p> <p>Archived Grant Proposals</p>	<p>Q1: What are some of the social needs the foundation meets? A1: Oral health care, safety clinics, special populations, mental health, physical health, et al.</p> <p>Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: No.</p>	<ul style="list-style-type: none"> ◦ Grant application/grant proposal requires a listing of community need from every applicant. However, the application does not require an <i>unmet</i> need. ◦ Conversation with Public Health Director confirmed the above statement.
Level of Support				Neutral
<p>WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.</p> <p>Level of Support</p> <p>OVERALL SUPPORT</p>	<p>Grant Applications</p> <p>Request for Proposal</p> <p>Grant Proposals</p>	<p>Archived Grant Applications</p> <p>Archived Requests for Proposals</p> <p>Archived Grant Proposals</p>	<p>Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Absolutely.</p>	<ul style="list-style-type: none"> ◦ Conversation with Public Health Director revealed that the foundation looks very strongly at org's that can provide identifiable outcomes in the community. <p>Strong</p> <p>MIXED</p>

Silverton Foundation

Silverton Foundation's Level of Support for WH2, WH2a, and WH2b: STRONG

Document Analysis and Archived Data

Neither Silverton Foundation's mission statement nor charter specified whether or not the need has to be largely unmet in the community for Silverton to become involved with the initiative. Therefore, the level of support for WH2 is neutral – neither for nor against.

Structured Interview

In an interview with Mr. Andy White, Executive Director, Mr. White stated it is Silverton's hope to make a difference in the world by creating a significant social impact in the community. Organizations submit grant applications that are "in line with market conditions" (taped interview with Mr. Andy White, September 20, 2006). Meaning, if the market indicates a deficiency in a social service (such as education, health care, etc.) the Silverton Foundation seeks to fulfill these needs first.

Mr. White also commented that the main reason organizations apply for funding from the Silverton Foundation is if there *is* a need. He stated that there must be documentation to demonstrate identifiable outcomes if the need is met. Given this statement, there is a strong level of support for WH2, WH2a, and WH2b (see Table 6.12).

**TABLE 6.12 – RESULTS FOR WH2: SOCIAL NEED
Silverton Foundation**

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	Mission Statement	Foundation Charter	<p>Q1: How does the foundation define its goals and objectives? A1: As clear as the foundation deems appropriate.</p> <p>Q2: Under what set of guidelines does the foundation operate? A2: Under the mission and values of passion, determination, and honesty for the poor working class.</p>	<p>◦ ED provided clearly defined goals and objectives during conversation.</p>
Level of Support				Neutral
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	Grant Guidelines	No archived data provided evidence	<p>Q1: What are some of the social needs the foundation meets? A1: Past initiatives included health, education, social needs, etc.</p> <p>Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: Organizations only come to the foundation if there is a need.</p>	<p>◦ Grant guidelines provided proof of unmet need in the community.</p> <p>◦ ED's statements of community need provide strong support of WH2.</p>
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.	Grant Guidelines	No archived data provided evidence	<p>Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes; the organization must be able to demonstrate identifiable outcomes; there is a strong preference for this.</p>	<p>◦ Grant Guidelines indicate positive support from the foundation if an applicant is able to demonstrate social need.</p> <p>◦ ED confirmed that grant applicants need to demonstrate identifiable outcomes to be considered for funding.</p>
Level of Support				Strong
OVERALL SUPPORT				STRONG

United Way's Level of Support for WH2, WH2a, and WH2b: STRONG

Document Analysis¹⁷

In the United Way document, Community Investment Funding Policy, it states that United Way's community investments (i.e., its grants) must address health and human services needs. United Way does this by funding programs that are consistent with the United Way's mission and core values. The document goes on to list the main drivers of funding: unmet or emerging community needs, measurable results, community change, and more.

Another important document is the United Way Review Criteria. One of the qualities the United Way looks for when funding an organization is if the agency's programs meet client and community needs and will achieve measurable results. Therefore, the documents listed provide a strong level of support for WH2.

Structured Interview

In an interview with Michelle Krecji Huck, Senior Director of Community Investments, Ms. Huck stated that traditionally, United Way has funded stable, successful non profit organizations. This has changed in the last 15 years.

Funding has become more open with the main priority being to approach issues by finding out the needs of the community. United Way's funding initiatives are now based on community need and figuring out what works. Based on all of the information above, there is sufficient evidence to support WH2, WH2a, and WH2b (see Table 6.13).

¹⁷ No archived data was provided to support this hypothesis.

TABLE 6.13 – RESULTS FOR WH2: SOCIAL NEED
United Way Capital Area

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	Mission Statement Vision Statement Investment Funding Policy Guiding Principals for Decision Making	Q1: How does the foundation define its goals and objectives? A1: Every five years United Way analyses the needs in the community and defines its priorities. Q2: Under what set of guidelines does the foundation operate? A2: It is all about approaching the community's needs.	<ul style="list-style-type: none"> ◦ Largely unmet social needs are defined every five years at United Way. ◦ Community need is addressed in several documents – mission statement, Investment Funding Policy, and Guiding Principles for Decision Making.
Level of Support			Strong
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	Grant Application Request for Proposal Guiding Principals for Decision-Making	Q1: What are some of the social needs the foundation meets? A1: Health and human services. Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: Lack of support is definitely a factor, but it there does not have to be a lack of support for United Way to become involved.	<ul style="list-style-type: none"> ◦ Grant application provides space for the applicant to list the scope of an unmet need in the community. ◦ Candid conversation with Senior Director revealed there does not have to be a lack of support before United Way becomes involved.
Level of Support			Neutral
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met. Level of Support OVERALL SUPPORT	Grant Application Request for Proposal Review Criteria Investment Funding Policy Goals and Desired Outcomes	Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes; this is the area where United Way wants to see the largest impact.	<ul style="list-style-type: none"> ◦ The Review Criteria the board uses to make decisions lists identifiable outcomes as key in making funding decisions. ◦ The foundation's expectations regarding community outcome is listed in the RFP, grant application, Investment Funding Policy, etc. Outcomes are important when making funding decisions. Strong STRONG

Anonymous Foundation 1**Anonymous Foundation 1's Level of Support for WH2, WH2a, and WH2b: STRONG
Structured Interview¹⁸**

The trustee of a small, family-run foundation based out of Houston, Texas, requested anonymity for this interview. The trustee revealed that the foundation is very open in its giving. Nevertheless, the foundation will not fund an initiative that cannot specify a particular need in the community. The grant amounts depend on the grant applicant's need and how great the need may be. Given this set of information, there is sufficient evidence to support WH2, WH2a, and WH2b (see Table 6.14).

¹⁸ No documents or archived data was provided to support this hypothesis.

TABLE 6.14 – RESULTS FOR WH2: SOCIAL NEED
Anonymous Foundation 1

Working Hypotheses	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	<p>Q1: How does the foundation define its goals and objectives? A1: If there is a worthy cause, the foundation is open to funding.</p> <p>Q2: Under what set of guidelines does the foundation operate? A2: There are no limitations; with so many new problems, the foundation has had to expand its funding.</p>	<p>◦ Trustee comments provided evidence that the foundation expanded funding to address growing public need.</p>
Level of Support		Strong
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	<p>Q1: What are some of the social needs the foundation meets? A1: Healthcare, education and schools, medical education and research, et al.</p> <p>Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: No; the foundation hopes to meet needs that have already been identified.</p>	<p>◦ Conversation with Trustee revealed a neutral view about unmet social needs. The foundation has been known to fund unmet social needs, but a social need does not have to exist in order for the foundation to become involved.</p>
Level of Support		Neutral
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met.	<p>Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes.</p>	<p>◦ Candid discussion with the foundation's Trustee revealed that identifiable outcomes are looked upon favorably when making funding decisions.</p>
Level of Support		Very Strong
OVERALL SUPPORT		STRONG

Anonymous Foundation 2

Anonymous Foundation 2's Level of Support for WH2, WH2a, and WH2b: MIXED

Document Analysis¹⁹

The foundation's mission statement states that the foundation exists to "provide funding to programs and organizations that connect people to the tools and resources they need to build self-sufficient and fulfilling lives." When viewing the foundation's program areas, however, the requirements and exclusions statement, and the grant application it does not state that the need has to be unfulfilled for an organization to qualify for funding. The documents listed provide a weak level of support for WH2.

¹⁹ No archived data was provided to support this hypothesis.

Structured Interview

In a taped interview with the program officer of a mid-sized family-run foundation based out of Austin, Texas, the program officer requested anonymity for both the foundation and herself. In the interview, the officer stated that the foundation was formed in the year 2000 with the mission to help the working poor achieve self-sustainability. The key focus was to find out what needs in the community were being met, and what were not.

The officer did state, however, that the foundation is happy to fund programs that have a strong following and are “tried and true.” The officer went on to state that the foundation will only fund programs that have a strong following. This statement provides sufficient evidence to conclude that the foundation does not provide funding for particularly “unmet” needs in the community – only those needs that are already being fulfilled by other funders. In light of this information, there is weak evidence in support of WH2.

When asked whether the foundation desired grant applicants to provide evidence of identifiable outcomes in the community if the social need is met, the program officer responded with a definite “yes.” Without identifiable outcomes, there is no way to tell if the foundation’s funding is being put to good use in an efficient manner. Therefore, there is additional evidence to provide a strong level of support for WH2.

Overall, both responses solicit a mixed level of support for WH2, WH2a, and WH2b (see Table 6.15).

TABLE 6.15 – RESULTS FOR WH2: SOCIAL NEED
Anonymous Foundation 2

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs.	Mission Statement	<p>Q1: How does the foundation define its goals and objectives? A1: N/A.</p> <p>Q2. Under what set of guidelines does the foundation operate? A2: To help the working poor achieve self-sustainability; the initial mission of the foundation was to find what needs are not being met.</p>	<ul style="list-style-type: none"> ◦ Clearly defined goals and objectives defined in mission statement. ◦ Candid discussion with Program Officer revealed that the foundation's initial mission was to fulfill unmet social needs.
Level of Support			Mixed
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community.	Grant Application	<p>Q1: What are some of the social needs the foundation meets? A1: Organizations dealing with child abuse prevention, job training & support services, children's health, and aging in place.</p> <p>Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: No. The organization has to have a strong following with other funders.</p>	<ul style="list-style-type: none"> ◦ Grant criteria documented favorable support for programs with strong funding networks.
Level of Support			Weak
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met. Level of Support OVERALL SUPPORT	Grant Application	<p>Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Definitely.</p>	<ul style="list-style-type: none"> ◦ Grant application required all applicants to list community outcomes. ◦ Candid conversation with Program Officer revealed that the foundation looked favorably on programs able to demonstrate community outcomes. <p>Very Strong</p> <p>MIXED</p>

Anonymous Foundation 3

Anonymous Foundation 3's Level of Support for WH2, WH2a, and WH2b: VERY STRONG

Document Analysis²⁰

The grant guidelines for the foundation state that the foundation provides funding for youth in five main categories: after-school and education, arts and dance, life and job skills, health and nutrition, safety and security, sports, and summer camps. Upon looking at the history of the foundation, the founders of the foundation identified these funding areas in response to a lack of interest by the community in the aforementioned areas.

In 1985, one of the founders saw a great need for the children of Ethiopia and decided to use the money she and her husband made by selling their business to help these children in need. In 2003, the founders' charitable mission was extended to Austin, Texas. Given the history and grant guidelines of the foundation, there is strong evidence in support of WH2.

Structured Interview

In a taped interview with the Executive Director and Project Manager of a mid-sized family foundation in Austin, Texas, the Executive Director requested anonymity for both the foundation and himself. In the interview, the Executive Director further confirmed the statements listed above by stating that the foundation was created due to unmet community needs. He stated that there are boundaries the foundation has established and only the organizations fitting into these parameters are considered for funding.

Therefore, the interview provided a strong level of support for WH2, WH2a, and WH2b (see Table 6.16).

²⁰ No archived data was provided to support this hypothesis.

TABLE 6.16 – RESULTS FOR WH2: SOCIAL NEED
Anonymous Foundation 3

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH2: Foundations provide funding for unmet social needs	Mission Statement Grant guidelines	Q1: How does the foundation define its goals and objectives? A1: According to the founders. Q2: Under what set of guidelines does the foundation operate? A2: The foundation was founded to provide unmet social needs.	<ul style="list-style-type: none"> ◦ Clearly defined goals and objectives illustrate the foundation's desire to fulfill unmet social needs for disadvantaged youths. ◦ Grant guidelines provided evidence that an unmet social need must exist in the community before the foundation will consider funding a program.
Level of Support			Strong
WH2a: Foundations want the potential grantee to communicate the scope of an unmet need in the community	Grant guidelines	Q1: What are some of the social needs the foundation meets? A1: It is an inclusive process. The foundation has a narrow focus on youth, but a broad focus within five main categories. Q2: Does there have to be a lack of support in these areas before the foundation will become involved? A2: Yes, there has to be a lack of support for the foundation to get involved.	<ul style="list-style-type: none"> ◦ Candid discussion with ED yielded strong evidence in support of WH2a (see Q2).
Level of Support			Very Strong
WH2b: Foundations want the potential grantee to demonstrate the outcome(s) in the community if the social need is met	Grant guidelines	Q: If a potential grantee were to demonstrate identifiable outcomes in the community, would this make a difference when deciding whether or not to fund the organization? A: Yes; identifiable outcomes will raise attention, but does not guarantee funding.	<ul style="list-style-type: none"> ◦ Grant guidelines illustrate the importance for the grant applicant to demonstrate community outcomes to be considered for funding. ◦ The ED stated that identifiable outcomes raises the foundation's attention, thereby strengthening the grant proposal. It is not a requirement, however.
Level of Support OVERALL SUPPORT			Strong VERY STRONG

Overall Level of Support for WH2 from All Foundations: VERY STRONG

WORKING HYPOTHESIS 3: IMPACT

WH3: FOUNDATIONS WANT THE POTENTIAL GRANTEE TO COMMUNICATE THE IMPACT THE FOUNDATION’S FUNDING WILL HAVE ON THE NONPROFIT AND ITS RECIPIENTS AND/OR BENEFACTORS.

Austin Community Foundation (ACF)

ACF’s Level of Support for WH3, WH3a, and WH3b: STRONG

Document Analysis²¹

ACF currently manages more than 500 charitable funds established by individual donors, corporations and non profit agencies. ACF’s mission is to make these funds grow so they can flow back into the community to support a wide range of charitable efforts (found on the ACF website, 2006). According the ACF’s grant history, in 2004²², ACF granted over \$215,000 to Austin area charities.

Given the large number of funds ACF manages, and the wide variety of charitable donations made to the public, there is sufficient evidence that ACF likes to have a rather large impact in the Austin community. ACF’s grant guidelines also states that ACF “encourages grant requests for projects or programs that are likely to have a substantial impact on the quality of life of a significant number of people in the community” (taken from the ACF website under Grant Guidelines, 2006). This statement indicates that ACF bases its funding decisions on the amount of impact the grant applicant is willing to have in the community as well. There is no evidence of required site visits in ACF’s grant application.

Taking into consideration the significant impact ACF has on the Austin community, the mission statement ACF has set forth on its website (2006), along with ACF’s grant guidelines, there is sufficient evidence in favor of WH3.

²¹ No archived data was provided to support this hypothesis.

²² The 2004 Austin Community Foundation grant awards are the most current information available on ACF’s website at www.austincommunityfoundation.org

Structured Interview

In a taped interview with Mr. Richard Slaughter, Executive Director of ACF, Mr. Slaughter stated that ACF funds a number of community initiatives in various areas. He agreed with the information above that ACF has a sizeable endowment to create a significant difference in several areas of the Austin community. He did, however, note that ACF's goal is not to have a large impact in any one particular area, but to simply "bring something to the bucket" of the philanthropic well.

Mr. Slaughter stated that site visits are common for ACF and that due diligence is practiced by the staff to ensure there is no impropriety on the part of the grantee. He commented that ACF conducts site visits to get a feel for the grantee, to see that the grantee's operations are not fiction, and whether or not the grantee has passion about what they do.

Given the evidence Mr. Slaughter provided above, there is a strong level of support in favor of WH3, WH3a, and WH3b (see Table 6.17).

TABLE 6.17 – RESULTS FOR WH3: IMPACT
Austin Community Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.	Grant Proposal Request for Proposal	2004 Annual Report Archived grant proposals	Q1: What impact does the foundation want to have in the community? A1: The foundation does not have to make a huge impact; it just wants to add something to the philanthropic bucket. Q2: Does it matter if the grant applicant has the same impact? A2: No.	<ul style="list-style-type: none"> ◦ Archived grant proposals provided evidence of applicants demonstrating community impact. ◦ A conversation with the ED revealed that ACF's mission is to have a positive impact in the community, however, the impact does not have to be great.
Level of Support				Neutral
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.	Site Visit Reports Evaluation Techniques	Archived grant proposals	Q1: Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; the foundation utilizes site visits. Q2: What does the foundation hope to accomplish by using these techniques? A2: The foundation wants to see passion, the constituents being served, and obvious results at the site visits.	<ul style="list-style-type: none"> ◦ Site visit reports contained within the grant proposals. ◦ Site visit notes contained in the proposals revealed comments about the grant applicant's ability to create a positive impact in the community. ◦ ED's comments in the interview confirmed WH3a (see response to Q2).
Level of Support				Strong
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.	Grant Policy Grant Proposals Site Visit Reports	Archived grant proposals	Q: What future expectations does the foundation have of the grant applicant? A: N/A.	<ul style="list-style-type: none"> ◦ Site visit reports revealed notes made by grant coordinators commenting on the grant applicant's facilities, people served, impact, and outcomes.
Level of Support				Strong
OVERALL SUPPORT				STRONG

Hogg Foundation for Mental Health

Hogg Foundation's Level of Support for WH3, WH3a, and WH3b: MIXED

Document Analysis²³

One of the Hogg Foundation's grant proposal requirements is for the grant applicant to be able to identify the impact the proposed services will have on the recipients. In this way, the foundation is asking for evidence of impact in the community. This provides a measurable use of the foundation's funds by making the grantee accountable for identifiable outcomes and the level of impact the funding will have on the persons served.

Further evidence in support of WH3 and its sub-hypotheses is found in the foundation's values statement: "We [Hogg Foundation] value...evaluating the impact of our grants as well as our own performance as an organization" (taken from the Hogg Foundation website under Values Statement, 2006). Here, it can be assumed that the foundation's impact in the community is only as strong as the non profit organizations the foundation funds.

Unfortunately, nowhere in the grant application or RFP does it state the foundation conducts site visits to the grant applicant's service facility. But in light of all the documented evidence above, there is a strong level of support in favor of WH3, WH3a, and WH3b.

Structured Interview

According to Carolyn Young, Executive Associate and Grant Coordinator for the Hogg Foundation, the only impact the foundation will have in the community is through the grantee. It is through the grantee that the foundation achieves the greatest impact in the community.

Because of this, it is imperative the grantee provide to the foundation the amount of people served, how the program is evaluated, and if the program is effective. The Hogg Foundation wants to have a significant impact on mental health in the community, and it is important that the grant applicant have the same intentions. This information provides a good amount of evidence to support WH3.

²³ No archived data was provided to support this hypothesis.

Site visits are rare at the foundation. Ms. Young is able to rely on her contacts in the community and local databases to provide her with the information needed on grant applicants. The need for site visits does not exist. Therefore, the level of support for WH3, WH3a, and WH3b is weak (see Table 6.18).

**TABLE 6.18 – RESULTS FOR WH3: IMPACT
Hogg Foundation for Mental Health**

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors	Request for Proposal Grant Application	Q1: What impact does the foundation want to have in the community? A1: The foundation wants to have an obvious impact in the community. Q2: Does it matter if the grant applicant has the same impact? A2: Yes.	<ul style="list-style-type: none"> ◦ RFP grant criteria requires grant applicants to demonstrate obvious impact in the community if funding is met. ◦ The grant application has a section for community impact and people served.
Level of Support			Strong
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors	Request for Proposal Grant Application	Q1: Does the foundation utilize observation techniques? If so, what techniques? A1: Yes. The foundation utilizes site visits but they are not prevalent. Q2: What does the foundation hope to accomplish by using these techniques? A2: The hope is to get to know the organization and to see how much and who the organization is impacting.	<ul style="list-style-type: none"> ◦ The grant application does not require site visits. ◦ Grant coordinator admitted that site visits are not customary for the foundation.
Level of Support			Weak
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds	Request for Proposal Grant Application	Q: What future expectations does the foundation have of the grant applicant? A: The foundation wants to see sustainability, how many people are being served, how the organization evaluates its program, and is the program effective.	<ul style="list-style-type: none"> ◦ RFP and grant application requires applicants to demonstrate the level of service the organization provides as well as the people served. ◦ The Grant Coordinator confirmed that the foundation wants to see projected outcome and level of service for each grant applicant.
Level of Support			Strong
OVERALL SUPPORT			MIXED

St. David's Community Health Foundation**St. David's Foundation's Level of Support for WH3, WH3a, and WH3b: VERY STRONG****Document Analysis**

St. David's Foundation's grant application states that all grant applicants must provide a statement of community impact to be included in the grant proposal. In other words, what impact would St. David's Foundation's funding have on the grant applicant? Will St. David's Foundation's funding impact the amount of services the grant applicant is able to provide? How many people will benefit from these services?

St. David's also requires grant applicants to itemize a list of projected outcomes in the community. Here, another set of questions should be answered: What effect will the funds have on the grant applicant's organization? What types of services will the organization be able to offer as a result of the funding? What are identifiable community-wide success indicators? These are the questions St. David's Foundation asks the grant applicant to assess the level of impact funding will have on the applicant's organization and the people it serves.

St. David's Foundation's grant application also states that if chosen to submit a grant proposal, the foundation requires board members and directors to conduct a full site visit to the grant applicant's organization. The reason for the site visit, among several other reasons, is to be able to identify the amount of impact the grant applicant is having in the community.

Given the set of documented information above, there is sufficient evidence in support of WH3, WH3a, and WH3b.

Archived Data

Archived site visit reports, grant applications, and request for proposals were viewed as back up to support all documents listed above. All archived data supported St. David's Foundation's documents listed above, thereby providing strong evidence in support of WH3, WH3a, and WH3b.

Structured Interview

A taped conversation with Ms. Genie Nyer, Director of Public Health initiatives at St. David's Community Health Foundation, revealed that St. David's Foundation has worked diligently to ensure that the foundation has a significant impact in the lives of all Central Texans. Ms. Nyer said, however, that the grant applicant does not need to have the same level of impact as St. David's Foundation. If the grant applicant's level of impact in the community is smaller than that of St. David's Foundation, this does not disqualify the applicant from submitting a grant application.

Ms. Nyer went on say that St. David's Foundation does not micro-manage grant applicants and that it is acceptable for the grant applicant to have a different level of impact in the community. The only requirement St. David's Foundation has in regards to community impact is the grant applicant must have the same mission as St. David's Foundation.

Ms. Nyer stated that all grant applicants submitting a grant proposal receives a site visit from the foundation's officers. This is done before the grants are rewarded and is often continued throughout the year. Ms. Nyer felt that conducting site visits is important because it allows the foundation's officers to come back with a gut feeling about whether or not the organization visited is a good match for funding.

By the time the foundation officers are done with the visit, the officers know if the organization will be a good fit with St. David's Foundation. The site visits also allow the officers to make an informed, educated decision along with an overall assessment of the organization.

Proof of service level and projected outcomes is paramount in decision making. According to Ms. Nyer, if the grant applicant does not perform, the non profit organization has no future. St. David's decisions are based on the grant applicant having a good track record and a good document of success with funding.

Therefore, there is a strong level of support in favor of WH3, WH3a, and WH3b

(see Table 6.19).

TABLE 6.19 – RESULTS FOR WH3: IMPACT
St. David's Community Health Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors	Grant Applications Request for Proposal Grant Proposals	Archived Grant Applications Archived Requests for Proposals Archived Grant Proposals	Q1: What impact does the foundation want to have in the community? A1: The foundation would like to have a significant impact in the community. Q2: Does it matter if the grant applicant has the same impact? A2: No; the foundation does not micro-manage grantees.	<ul style="list-style-type: none"> ◦ The RFP and grant application listed the criteria to be used during decision making – impact was an important factor. ◦ The majority of grant proposals reviewed listed community impact.
Level of Support				Strong
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors	Site Visit Reports Request for Proposal	Archived Site Visit Reports Archived Requests for Proposals	Q1: Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; site visits Q2: What does the foundation hope to accomplish by using these techniques? A2: Site visits allow the foundation to make educated, informed decisions about funding.	<ul style="list-style-type: none"> ◦ St. David's RFP listed required site visits to the grant applicant's organization. ◦ Conversation with the Public Health Director revealed the importance of site visits to St. David's.
Level of Support				Strong
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds	Grant Application Request for Proposal Site Visit Reports	Archived Grant Applications Archived Requests for Proposals Archived Site Visit Reports	Q: What future expectations does the foundation have of the grant applicant? A: The foundation wants to see a good track record as well as good documentation of funding, quarterly and annual reports, and success indicators.	<ul style="list-style-type: none"> ◦ The grant application requires all applicants to list the organization's success indicators. ◦ Conversation with the Public Health Director provided strong support for WH3b (refer to Q&A).
Level of Support				Strong
OVERALL SUPPORT				VERY STRONG

Silverton Foundation

Silverton Foundation's Level of Support for WH3, WH3a, and WH3b: VERY STRONG

Document Analysis²⁴

The Silverton Foundation's website (2006) contains the foundation's Philosophy of Giving guidelines. Plainly stated, the foundation prefers to invest in nonprofit organizations where the foundation's funding will make a substantial impact on the project or organization.

As such, Silverton strives to "avoid situations – even highly deserving organizations – where [the foundation's] donation is unlikely to have a meaningful impact on the end result" (taken from the document titled, "Philosophy of Giving," found on the Silverton website, 2006).

The Philosophy of Giving guidelines goes on to state that this level of funding "biases [the foundation] toward small to medium size organizations or towards specific projects in large organizations where this level of giving can make a difference" (taken from the document titled, "Philosophy of Giving," found on the Silverton website, 2006).

The Philosophy of Giving guidelines go on to state that the foundation is drawn to "highly productive organizations that derive disproportionate outcomes relative to the dollars invested" (taken from the document titled, "Philosophy of Giving," found on the Silverton website, 2006). In other words, when considering whether or not the foundation will fund an organization, Silverton is very astute in analyzing costs such as overhead or administration.

This is done because the foundation wants "as much of the donation as possible to go towards the people who need it most", thereby stretching the donor dollar to yield measurable outcomes (taken from the document titled, "Philosophy of Giving", found on the Silverton website, 2006).

The foundation's Philosophy of Giving notes that when the Silverton Foundation funds a project or organization, the foundation wants to be confident in knowing whether or not the

²⁴ No archived data was provided to support this hypothesis.

end result was successful. As such, Silverton focuses on “projects with clearly defined milestones and measurable outcomes” (taken from the document titled, “Philosophy of Giving”, found on the Silverton website, 2006).

Given the information listed above, the Silverton Foundation provides a strong level of support for WH3, WH3a, and WH3b.

Structured Interview

In a taped interview with Mr. Andy White, Executive Director for the Silverton Foundation, Mr. White stated that given the foundation’s \$15 million endowment, the foundation is not able to make an impact in a large portion of the Austin community. The foundation does, however, desire to make a rather significant impact on the projects it chooses to fund.

Therefore, the foundation concentrates on niche, or targeted funding. Mr. White stated that the needs of the community are far greater than the money available, so the foundation looks to fund organizations striving to achieve the same impact and outcomes as the Silverton Foundation.

Mr. White and his fellow officers of the foundation conduct site visits year round. According to Mr. White, the foundation thinks it is very important to practice “due diligence” in this area (taped interview with Mr. Andy White, September 20, 2006). The entire process is very informal and there are no site visit reports.

In conducting site visits, the foundation hopes to obtain an understanding of the services provided, to develop a relationship with the grantee, and to see if it is a good project to fund.

The foundation believes in measurable outcomes and being able to communicate the level of service for which the grant applicant is applying for funds. Mr. White stated that he asks questions such as: What was accomplished with the use of the foundation’s funds? Was there a good use of funds? How much of an impact was created due to the level of funding?

Were the funds used effectively and efficiently, or was it squandered on items of lesser importance?

Given the importance the Silverton Foundation gives towards level of impact, site visits, and projected outcomes, the level of support for WH3, WH3a, and WH3b is very strong (see Table 6.20).

TABLE 6.20 – RESULTS FOR WH3: IMPACT
Silverton Foundation

Working Hypotheses	Document Analysis	Interview Response	Evidence
<p>WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.</p>	<p>Grant Guidelines</p>	<p>Q1: What impact does the foundation want to have in the community? A1: The foundation is not able to make a large impact; the needs in the community are much larger than the money.</p> <p>Q2: Does it matter if the grant applicant has the same impact? A2: N/A.</p>	<p>◦ No document or conversation provided sufficient evidence in support of WH3.</p>
Level of Support			N/A
<p>WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.</p>	<p>Grant Guidelines</p>	<p>Q1 : Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; site visits.</p> <p>Q2: What does the foundation hope to accomplish by using these techniques? A2: An understanding of the services provided, to develop a relationship with the grantee, and to see if the project was worth funding.</p>	<p>◦ A conversation with the ED provided favorable support for WH3a (see Q&A 1 and 2).</p> <p>◦ The ED indicated that site visits are a definite way to see what impact the organization is having in the community as well as whether or not the project is worth funding.</p>
Level of Support			Strong
<p>WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.</p>	<p>Grant Guidelines</p>	<p>Q: What future expectations does the foundation have of the grant applicant? A: A report on the results of the program – good use of funds? efficient? effective? diligent?</p>	<p>◦ Grant Guidelines recommend all grant applicants include a list of projected outcomes and services in each proposal.</p>
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

United Way Capital Area

United Way's Level of Support for WH3, WH3a, and WH3b: VERY STRONG

Document Analysis²⁵

The term “community investments” is what the United Way uses to describe community grants given for the purpose of administering public services. Site visits are an integral part of the Community Investment Process (taken from Community Investment Process documents dated September 2005).

The purpose of the site visit is for United Way’s committee volunteers “to meet with agency representatives [from the grant applicant’s organization] for the purpose of discussing agency information and issues relevant to the agency’s application for United Way funds” (taken from Community Investment Process documents dated September 2005). Site visit information is provided on the grant application and is performed once the initial screening process has taken place.

The grant application also provides a “Logic Model” for the grant applicant. This allows the grant applicant to provide a clear picture of each program operated by the organization that fits with United Way’s priorities and the differences the program makes in the lives of the clients the organization serves. It is at this time the organization is also given the opportunity to exhibit the level of impact the program hopes to achieve within the community.

The Logic Model also provides space for the grant applicant to list the outputs of the program, the total number of clients served, and the changes and/or benefits the program has made in the lives of program participants. Section 7 of the grant application is for identification of impact areas and desired outcomes. It is here the grant applicant is asked to provide all impact areas and desired outcomes addressed by the grant applicant’s organization.

²⁵ No archived data was provided to support this hypothesis.

After taking into consideration United Way's Community Investment Process and the way in which community impact and desired outcomes are a very important part of the grant application process, there is sufficient data to support WH3, WHa, and WH3b.

Structured Interview:

In an interview with Michelle Krecji Huck, Senior Director of Community Investments, Michelle stated that it is important to United Way to have a large, identifiable impact in the community. Currently, the United Way funds 44 agencies with grant awards ranging anywhere from \$33,000 to \$518,000. The average grant given in 2006 was around \$91,000.

United Way asks grant applicants to list the projects the United Way's funds will impact and alerts grant applicants early on that site visits are a required part of the granting process. Traditionally, site visits were meant to get to know the agencies applying for funding and to have the opportunity to talk to directors and officers directly. The purpose was to also view the agency's facilities, staff, and beneficiaries and report all findings back to the board of directors.

Now, in addition to these reasons, United Way has implemented standard questions they want answered as well as a list of things to look for when conducting the visit. As for future expectations, Michelle stated that a report of agency outcomes and success stories is always a good indication that the agency was a good investment to fund in the first place.

Given the conversation notes listed above, along with documented findings, there is a strong level of support in favor of WH3, WH3a, and WH3b (see Table 6.21).

United Way Capital Area

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.	Grant Application Request for Proposal Guiding Principals for Decision Making Review Criteria	Q1: What impact does the foundation want to have in the community? A1: United Way strives to make a large impact in the community. Q2: Does it matter if the grant applicant has the same impact? A2: Yes. This is very important to the granting process.	◦ Guiding Principals for Decision Making lists impact as one of the required grant criteria used during decision making. ◦ The RFP and grant application asks all applicants to describe the impact the organization will have in the community if funding is met.
Level of Support			Very Strong
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.	Request for Proposal Site Visit Expectations Worksheet Site Visit Questions Worksheet Site Visit Notes Worksheet	Q1 : Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; site visits Q2: What does the foundation hope to accomplish by using these techniques? A2: To develop a relationship with the organization, educate the volunteers, and define strategic goals and performance objectives.	◦ The Site Visit Expectation Worksheet lists impact as one of the key factors board members should look for when conducting site visits. ◦ The Site Visit Questions Worksheet provides evidence of questions pertaining to community impact.
Level of Support			Strong
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.	Grant Application Request for Proposal Site Visit Expectations Worksheet Site Visit Questions Worksheet Site Visit Notes Worksheet	Q: What future expectations does the foundation have of the grant applicant? A: Outcome reporting and success stories.	◦ The grant application asks all applicants to list the organization's expected outcomes and services provided. ◦ The Site Visit Expectations Worksheet and Site Visit Questions worksheet provides a space for board members to list projected outcomes and service level.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Anonymous Foundation 1

Anonymous Foundation 1's Level of Support for WH3, WH3a, and WH3b: VERY STRONG

Structured Interview²⁶

In a taped conversation with the trustee of a small, family-run foundation out of Houston, Texas, (respondent chose to remain anonymous), the trustee stated that the foundation is very performance oriented. It is very important to the foundation trustees that the foundation operate in a productive and effective manner. Therefore, the foundation may sometimes ask the grant applicant to quantify what the grant applicant's organization does and how they do it.

Quantified expectations means that the foundation asks questions and will expect the grant applicant to respond with reports containing numbers such as the number of people served, the amount spent per unit of service, and the percentage of people served in a specific geographic area.

In this way, the foundation is gathering evidence to justify funding the grant applicant's organization. At the same time, the foundation may realize that the grant applicant has an effective program, and by obtaining this information, the foundation may be able to implement the same program into another community. According to the trustee, "if the foundation can duplicate an effective program into another area of society, the foundation has just increased its impact in the community" (taken from a taped conversation with the foundation trustee on September 28, 2006).

The trustee went on to state that site visits are a good way to determine just how effective the grant applicant's program really is. It is critical to the granting process to develop relationships with potential grantees. The foundation conducts site visits in a very informal

²⁶ No documents or archived data was provided to support this hypothesis.

manner (no set questions, no required notes). The foundation does, however, participate in sit-down discussions with the directors and officers of the organization applying for funds. The trustee stated that these discussions and visits are an integral part of successful granting.

The need for effective funding, performance measures, and site visits provides sufficient evidence in support of WH3, WH3a, and WH3b (see Table 6.22).

TABLE 6.22 – RESULTS FOR WH3: IMPACT
Anonymous Foundation 1

Working Hypotheses	Interview Response	Evidence
<p>WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.</p>	<p>Q1: What impact does the foundation want to have in the community? A1: The foundation is very performance oriented.</p> <p>Q2: Does it matter if the grant applicant has the same impact? A2: We want the foundation to be effective. Therefore, we sometimes have the grantee quantify what they do and how they do it.</p>	<p>◦ A conversation with the foundation trustee indicated that the foundation wants to have a significant and positive impact in the community. Therefore, the foundation wants to see the impact the grant applicant is having in the community as well.</p>
Level of Support		Very Strong
<p>WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.</p>	<p>Q1 : Does the foundation utilize Observation techniques? If so, what techniques? A1: Yes. The foundation performs site visits.</p> <p>Q2: What does the foundation hope to accomplish by using these techniques? A2: We do this to have sit down discussions; we want to observe the grantee and develop a relationship.</p>	<p>◦ Site visits are a required part of the application process.</p> <p>◦ Site visits are done to develop relationships and observe the grantee's services (see A2).</p>
Level of Support		Very Strong
<p>WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.</p>	<p>Q: What future expectations does the foundation have of the grant applicant? A: The foundation wants reports of the number of people served, the amount spent on services, and other quantifiable evidence of success.</p>	<p>◦ The foundation requires success measures and a list of services rendered. The trustee admits that projected outcomes are very important to the foundation when making funding decisions.</p>
Level of Support		Very Strong
OVERALL SUPPORT		VERY STRONG

Anonymous Foundation 2

Anonymous Foundation 2's Level of Support for WH3, WH3a, and WH3b: MIXED Document Analysis²⁷

The second foundation that chose to remain anonymous did not grant an in-person interview, but rather a telephone interview. As such, it was not possible to obtain actual documentation from the foundation. Therefore, it was necessary to locate documentation via the foundation's website. Although there was not much information available on-line, there are several indicators relating to the foundation's views on impact, site visits, and measurable outcomes.

The foundation created an on-line Grant Report Form that is designed to help the foundation and grant recipients effectively track the progress and outcomes of funded programs. Filling out this form is a critical part of the foundation's granting procedures and is therefore required for all non profit organizations.

It appears that the form is to be filled out by current grant recipients only. This indicates, however, that performance measurement and identifiable outcomes are important to the foundation.

As stated on the foundation's website:

[The foundation] relies on its partners' candid responses to assess the effectiveness of its [the foundation's] granting. Understanding the successes and shortfalls of each funded program helps [the foundation] better meet the needs of the community and its non profit partners. [The foundation's] team may occasionally request a follow-up site visit to better understand the impact of the project and challenges that remain.

The aforementioned statement clearly identifies the foundation's interest in impact driven or effective granting and meeting the needs of the community. The statement also indicates the possibility of a site visit to the grant applicant's organizational facilities, but there

²⁷ No archived data was provided to support this hypothesis.

is no clear indication as to what the foundation bases this decision on, thereby provided a minimal level of support for WH3, WH3a, and WH3b.

Structured Interview

In a taped conversation with one of the foundation's program officers (the respondent chose to remain anonymous), the officer indicated that the foundation is an impact driven entity. This can be proven by the number of organizations the foundation funds each year.

Currently, the foundation funds over 100 nonprofit organizations. All of these organizations have clearly defined goals and objectives. The foundation would not have considered funding these nonprofit organizations had the organizations not provided clear evidence of significant impact in the community.

One way of proving the level of impact is to conduct a site visit. Site visits are required for all grant applicants receiving over \$50,000, sometimes smaller, and are conducted before and after the grant award. Nothing more was gleaned from the conversation in this area, therefore, the overall level of support for WH3, WH3a, and WH3b is mixed (see Table 6.23).

TABLE 6.23 – RESULTS FOR WH3: IMPACT
Anonymous Foundation 2

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors.	Grant Application	Q1: What impact does the foundation want to have in the community? A1: The foundation wants to have a large impact in the community. Q2: Does it matter if the grant applicant has the same impact? A2: Yes.	<ul style="list-style-type: none"> ◦ Impact is a required criterion on the grant application. ◦ Discussion with the Program Officer provided evidence of the foundation only funding org's that have a significant impact in the community.
Level of Support			Strong
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors.	Grant Application	Q1 : Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; site visits. Q2: What does the foundation hope to accomplish by using these techniques? A2: N/A	<ul style="list-style-type: none"> ◦ The Program Coordinator indicated that site visits are used in the granting process.
Level of Support			Strong
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds.	Grant Application	Q: What future expectations does the foundation have of the grant applicant? A: The foundation wants to see funding sources over the last three years, individual donations, and whether the organization is dependant on any other foundations.	<ul style="list-style-type: none"> ◦ There was not sufficient evidence in support of WH3b.
Level of Support			N/A
OVERALL SUPPORT			MIXED

Anonymous Foundation 3

Anonymous Foundation 3's Level of Support for WH3, WH3a, and WH3b: VERY STRONG

Structured Interview²⁸

In a taped interview with the executive director (ED) and project manager of a local health and human services foundation that funds initiatives for children (the respondents chose to remain anonymous), the executive director stated that it is the hope of the foundation to have as large of an impact in the community as possible. According the ED, the foundation's trustees want to have an identifiable impact on children throughout the life of the child.

It is of no consequence to the foundation if the grant applicant has the same desire to have a large impact. According to the ED, what does matter is that the grant applicant is on one accord with the foundation's mission to provide for indigent children. If the grant criteria is met, it is the foundation's intention to fund the grant applicant's dream and passion for these children.

Site visits are a mandatory part of the process. If the interest is there, the foundation will set up a site visit. This allows the foundation the opportunity to meet the organization's directors, see the employees in action, and as stated by the ED, "to see the angels in the community" (taken from a taped interview with the Executive Director, September 29, 2006).

Having conducted the site visit, the foundation is better able to discern the organization's passion for the cause, to measure the organization's commitment to the children, and to view the efforts undertaken to meet the desired outcomes.

As for future expectations, the foundation wants to see the overall capacity of the nonprofit organization applying for funds, as well as the organization's plans for growth, future outlook, and whether or not the money will be used as a catalyst for change in the poorest

²⁸ No documents or archived data was provided to support this hypothesis.

communities. As such, there is a very strong level of support in favor of WH3, WH3a, and WH3b (see Table 6.24).

TABLE 6.24 – RESULTS FOR WH3: IMPACT
Anonymous Foundation 3

Working Hypotheses	Interview Response	Evidence
WH3: Foundations want the potential grantee to communicate the impact the foundation's funding will have on the non profit and its recipients and/or benefactors	Q1: What impact does the foundation want to have in the community? A1: The foundation would like to have a large impact in the community. Q2: Does it matter if the grant applicant has the same impact? A2: It matters a great deal for the grantee to want to have the same impact in the community.	° An interview with the ED revealed that it is important to the foundation that the grant applicant has a significant impact in the community.
Level of Support		Very Strong
WH3a: Foundations may utilize site visits to the potential grantee's organization in order to observe potential impact of the grantee's organization on its recipients and/or benefactors	Q1 : Does the foundation utilize observation techniques? If so, what techniques? A1: Yes; site visits are mandatory. Q2: What does the foundation hope to accomplish by using these techniques? A2: The foundation wants to see the grantee in action; to get a feel for the grantee's passion and measure their commitment.	° Site visits are an integral part of the granting process. The ED indicated that observing the grant applicant's organization can reveal much about the impact the org is having in the community.
Level of Support		Very Strong
WH3b: Foundations expect the potential grantee to provide projected outcomes and the level of service and/or research for which the non-profit is requesting the necessary funds	Q: What future expectations does the foundation have of the grant applicant? A: Sustainability, overall capacity, plans for growth, a future outlook; the foundation wants the funds to be used as a catalyst for change.	° The ED provided strong evidence in support of WH3b (refer to Q&A).
Level of Support		Very Strong
OVERALL SUPPORT		VERY STRONG

Overall Level of Support for WH3 from All Foundations: STRONG

WORKING HYPOTHESIS 4: SUSTAINABILITY

WH4: FOUNDATIONS EXPECT THE POTENTIAL GRANTEE TO HAVE A SUSTAINABILITY PLAN.

Austin Community Foundation (ACF)

ACF's Level of Support for WH4, WH4a, and WH4b: MIXED

Document Analysis²⁹

Two attempts were made to acquire additional documentation on sustainability and collaborations from ACF, but to no avail. Subsequently, it was necessary to obtain as much documentation from ACF's website as possible, however, there was not much evidence offered pertaining to sustainability and collaborative partnerships.

The website did state, however, in ACF's grant guidelines that ACF "encourages grant requests for projects or programs that leverage other sources of support (i.e., funds or volunteers)....that stimulate others to participate in addressing community problems....and are sustainable over time" (taken from the ACF website under Grant Guidelines, 2006).

This indicates that ACF likes to see grant applicants form a collaborative network of partners in order to increase participation, combine resources, and strengthen the likelihood of sustainability over time. As shown below in a taped interview with ACF's executive director, having a sustainability plan is a plus when applying for ACF funding, however, it is not a necessity. In the end, the factors listed above yield a mixed level of support for WH4, WH4a, and WH4b.

Structured Interview

In a taped interview with Mr. Richard Slaughter, Executive Director, Mr. Slaughter stated that a strong sustainability plan allows the grant applicant to leverage its resources and make smarter financial decisions. Strategic planning, anticipated outcomes, and a sustainable plan of action are all good indicators of future success.

²⁹ No archived data was provided to support this hypothesis.

ACF, however, does not need to see a strong level of support when deciding to fund a grant applicant. As a matter of fact, ACF has been known to fund start-up programs at the inception.

Most of the organizations ACF funds have a collaborative model of services set in place. Mr. Slaughter stated that collaboration is key and appears to be “state of the art” when it comes down to granting in Austin.

According to Mr. Slaughter, “things just don’t get done around [Austin] without [collaborative measures]” (taken from a recorded interview with Mr. Richard Slaughter on August 30, 2006). Because of ACF’s belief in sustainability and collaborations, but ACF’s propensity to fund start-up projects without strong supporters or a sustainability plan, the level of support for WH4, WH4a, and WH4b is mixed (see Table 6.25).

TABLE 6.25 – RESULTS FOR WH4: SUSTAINABILITY
Austin Community Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Grant guidelines	Archived grant proposals	Q: Does the foundation only concentrate on current funding for the grant applicant? A: No.	<ul style="list-style-type: none"> ◦ The grant guidelines do not require grant applicants to have sustainable programs, however, ACF has been known to provide sustainable funding to the grant applicant.
Level of Support				Neutral
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Grant guidelines	Archived grant proposals	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: No.	<ul style="list-style-type: none"> ◦ Archived grant proposals provide evidence of funding sources, however, the foundation does not require a reputation of strong funding.
Level of Support WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Grant guidelines	Archived grant proposals	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes.	<ul style="list-style-type: none"> ◦ Collaborative efforts were found in the majority of archived grant proposals.
Level of Support OVERALL SUPPORT				Weak Strong MIXED

Hogg Foundation for Mental Health

Hogg Foundation's Level of Support for WH4, WH4a, and WH4b: MIXED

Structured Interview³⁰

In a taped conversation with Ms. Carolyn Young, Executive Associate and Grant Coordinator for the foundation, Ms. Young stated that the Hogg Foundation is very proactive in providing sustainability to grantees for up to 3 years. Sustainability is such a highly regarded concept to the foundation that once the 3 years end, the grantee has the opportunity to apply for funding again.

The Hogg Foundation has been known to fund several new initiatives in the last few years (such as integrated health care initiatives whereby primary care physicians and mental health providers partner to manage the treatment of persons with mental health problems in the primary care or pediatric care setting).

With this in mind, the foundation does not concentrate so much on the extraneous funding an organization has, but rather new, and innovative initiatives that may not have such a strong level of support in place. And although collaboration amongst other programs in the field of mental health is common, it is not a requirement to receive the foundation's funding.

Given the foundation's views on sustainability, but the foundation's propensity to fund new initiatives and remain neutral on collaborative partnerships, the level of support for WH4, WH4a, and WH4b is mixed (see Table 6.26).

³⁰ No documents or archived data was provided to support this hypothesis.

TABLE 6.26 – RESULTS FOR WH4: SUSTAINABILITY
Hogg Foundation for Mental Health

Working Hypotheses	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Q: Does the foundation only concentrate on current funding for the grant applicant? A: No.	<ul style="list-style-type: none"> ◦ Hogg does not require grant applicants to have a sustainability plan, however, Hogg has been known to provide funding up to 3 years to a grant applicant.
Level of Support		Neutral
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: No; the foundation will fund new initiatives. However, the organization has to have history and credibility in the community.	<ul style="list-style-type: none"> ◦ Hogg does not require evidence of additional funding sources; Hogg will fund start-up initiatives.
Level of Support		Weak
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes.	<ul style="list-style-type: none"> ◦ The majority of organizations Hogg funds have developed collaborations with other organizations.
Level of Support		Strong
OVERALL SUPPORT		MIXED

St. David's Community Health Foundation**St. David's Foundation's Level of Support for WH4, WH4a, and WH4b: VERY STRONG****Document Analysis/Archived Data**

Since the documents provided during the interview included archived documents, it is simpler to report the results on both in connection to one another. All of the documents provided are from the current year (2006), but were used to make grant decisions in the months prior to the interview.

St. David's Foundation uses a scoring sheet to help guide decision making for funding. Among several items of concern is the question: "How good is the agency [or grant applicant]?" The list goes on to describe the questions board members and directors should ask themselves when scoring: "Does the agency [grant applicant] have adequate resources to support and sustain its programs and services? Is the agency capable of implementing the program? Does the agency have a successful history of providing these services?" (taken from St. David's Community Health Foundation Criteria for Scoring Mental Health Proposals, 2006).

All of these questions relate to sustainability and whether or not the grant applicant has the capacity to sustain it self long-term. The majority of grant proposals reviewed listed some level of collaboration with other programs as well as a list of government, private, and self funding. In addition, the majority of LOI's reviewed listed the grant applicant's estimated cost of the project or program and the amount to be assumed from other organizations outside of the funding from St. David's Foundation.

All documents reviewed provided a strong level of support in favor of WH4, WH4a, and WH4b.

Structured Interview

In a recorded conversation with Genie Nyer, Director of Public Health Initiatives, Ms. Nyer stated that St. David's Foundation wants to see the grant applicant have at least some level of support other than the requested amount of funding from St. David's Foundation. The foundation does not want to be the sole supporter of any organization.

If St. David's Foundation is the only source of funds for the grant applicant, this indicates a red flag. Ms. Nyer also stated that if an organization is not capable of getting other organizations and foundations engaged in the project or program something is obviously wrong.

Non-involvement may be an indication of poor agency management on the part of the grant applicant, misuse of funds, or an organization that is disengaged from the needs of the community. As such, the grant applicant must have good documentation of success with funding.

It is also important to the foundation that the grant applicant have a good reputation in the community as well as a strong level of support from other non profit organizations. This can be shown by indicating the sources of income in the grant proposal as well as the name(s) of current and future funders.

Collaboration is a critical part of this process. Ms. Nyer stated that grant applicants should be engaged in the community as well as with other organizations in the same field.

Given the conversation notes listed above and the level of importance St. David's Foundation places on sustainability, collaborative partnerships, and community reputation, there is strong support in favor of WH4, WH4a, and WH4b (see Table 6.27).

TABLE 6.27 – RESULTS FOR WH4: SUSTAINABILITY
St. David's Community Health Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Grant Application Request for Proposal	Archived Grant Applications Archived Site Visit Reports Archived Requests for Proposals	Q: Does the foundation only concentrate on current funding for the grant applicant? A: The foundation wants to know that they are not the sole funder of any organization; the organization must have good documentation of success with funding.	<ul style="list-style-type: none"> ◦ The grant application requires a list funding sources.
Level of Support				Strong
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Grant Application Request for Proposal	Archived Grant Applications Archived Requests for Proposals	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Yes.	<ul style="list-style-type: none"> ◦ A conversation with the Public Health Director revealed that St. David's not want to be the sole funder of any organization.
Level of Support				Strong
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Grant Application Request for Proposal	Archived Grant Applications Archived Requests for Proposals	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes; organizations should be engaged with the community as well as other organizations in the same field.	<ul style="list-style-type: none"> ◦ The grant application asks grant applicants to list collaborative efforts in the community. ◦ The Public Health Director stressed the importance of collaborations.
Letters of Inquiry OVERALL SUPPORT				Strong VERY STRONG

Silverton Foundation

Silverton Foundation's Level of Support for WH4, WH4a, and WH4b: STRONG

Document Analysis³¹

The Silverton Foundation provides general grant guidelines for applicants on the foundation's website (2006). Key to the foundation's success is the formulation of collaborations with other private funding organizations. In this way, the foundation is able to create sustainable projects within the community and support those projects already in existence.

As stated on the foundation's website, "Silverton desires to promote philanthropy, community involvement, and the development of non profit organizations in the geographic areas of [the foundation's] interests [Central Texas and Australia] through collaborations with other private funders and support of social entrepreneurship" (Silverton Foundation website, 2006).

It is the foundation's belief in sustainability through collaborations that provides a strong level of support for WH4, WH4a, and WH4b.

Structured Interview

Sustainability takes into account the long-term goals of the grant applicant's organization and how the organization will be able to sustain itself financially to meet these goals. The Silverton Foundation is very unique as it pertains to foundations because Silverton will grant funds to start-up non profit organizations. Many foundations will not provide the necessary "seed money" for start-up organizations simply because the foundation does not know if the grant applicant's organization will be around for the long-haul.

In an interview with Mr. Andy White, Executive Director for the Silverton Foundation, Mr. White stated that the foundation is sensitive to the fact that it might take more than one

³¹ No archived data was provided to support this hypothesis.

year for an organization to get “up and running.” Subsequently, the Silverton Foundation will commit to funding a start-up organization for up to three years.

The foundation does this with the intention of getting other funders involved in the project. As Mr. White states, “sustainability is key. Here at Silverton, we strive to make sure the [grant applicant’s] organization will be around for years to come” (taken from a taped interview with Mr. Andy White, September 20, 2006).

Mr. White stated that it is a must for the Silverton Foundation to see a strong level of support for the organization from other funders, or at least a way to develop support in the future. Strong financial and collaborative support from outside sources is a must for the grant applicant before Silverton will consider a grant proposal. As such, the interview with Mr. White provided a very strong level of support for WH4, WH4a, and WH4b (see Table 6.28).

TABLE 6.28 – RESULTS FOR WH4: SUSTAINABILITY
Silverton Foundation

Working Hypotheses	Document Analysis	Interview Response	Evidence
<p>WH4: Foundations expect the potential grantee to have a sustainability plan.</p>	Grant Guidelines	<p>Q: Does the foundation only concentrate on current funding for the grant applicant? A: No; sustainability is key.</p>	<ul style="list-style-type: none"> ◦ The Grant Guidelines suggests that all applicants have a sustainability plan. ◦ The ED indicated that sustainability is key.
Level of Support			Very Strong
<p>WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.</p>	Grant Guidelines	<p>Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Yes. Organizations must either show strong support for the program or a way to develop it.</p>	<ul style="list-style-type: none"> ◦ Grant Guidelines suggests the applicant to include a list of funding sources in the grant proposal. ◦ Candid discussion with the ED showed strong support in favor of multiple funding sources.
Level of Support			Strong
<p>WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.</p>	Grant Guidelines	<p>Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Most organizations collaborate, but not all.</p>	<ul style="list-style-type: none"> ◦ The ED indicated that collaboration is common, but not required.
Level of Support			Neutral
OVERALL SUPPORT			STRONG

United Way Capital Area

United Way's Level of Support for WH4, WH4a, and WH4b: VERY STRONG

Document Analysis³²

The United Way has what they call a “Partner Agency Agreement.” This is a written agreement between the United Way and the “agency,” or grant applicant. According to the agreement, the grant applicant must “conduct a fundraising campaign annually throughout the ten-county United Way region with the objective of realizing maximum public support for the benefit of the community, including United Way’s partner agencies” (taken from the United Way Partner Agency Agreement).

By holding these campaigns, the grant applicant is raising funding for its organization as well as other organizations the United Way funds. The United Way is promoting not only self-sustainability for the grant applicant, but for other community organizations as well.

In this manner, the United Way is promoting both sustainability and community collaboration at the same time. This can also be shown in United Way’s targeted funding statement, whereby the United Way “attempts to maximize community philanthropy, leverage available community resources, and promote effective community collaborations” (taken from the United Way’s Community Investment Funding Policy dated November 9, 2005³³).

Furthermore, in order for an organization to participate in the United Way application process, the grant applicant must “share United Way Capital Area’s view of collaborative and inclusive service to the entire community” (taken from the United Way’s Community Investment Funding Policy dated November 9, 2005). In light of the documents reviewed above, there is a strong level of support in favor of WH4, WH4a, and WH4b.

³² No archived data was provided to support this hypothesis.

³³ Although this document is dated November 9, 2005, the Community Investment Funding Policy was currently being used at the United Way Capital Area at the time of this research.

Structured Interview

In an interview with Ms. Michelle Krejci Huck, Senior Director of Community Investments at United Way Capital Area, Ms. Krejci Huck stated that United Way is diligent in making sure a grant applicant has other funding sources outside of United Way. She stated that not only does United Way ever want to be the sole source of funding for a grant applicant, but the United Way does not want to be the majority source of funding either.

As a result, on their application, United Way asks the grant applicant to briefly describe how participation in community collaborations have been beneficial to the success of the agency including how the collaborations have impacted the clients served. Here, collaborations are stressed not only as a source of funding sustainability, but with the hope of impacting clients to a larger and more beneficial degree.

Ms. Krejci Huck stated that in the past, United Way did not stress sustainability or an organization's ability to show a strong level of support from other funders, but that it is getting more important for an organization to provide this type of information. Given the reasons listed above, there is a strong level of support in favor of WH4, WH4a, and WH4b (see Table 6.29).

TABLE 6.29 – RESULTS FOR WH4: SUSTAINABILITY
United Way Capital Area

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Grant Application Request for Proposal Site Visit Expectations, Questions, and Notes (worksheets)	Q: Does the foundation only concentrate on current funding for the grant applicant? A: United Way wants to make sure the organization has funds from other sources, not just United Way.	<ul style="list-style-type: none"> ◦ Sustainability indicators listed on Site Visit Expectations and Questions worksheet. ◦ Conversation with Senior Director stressed sustainability (refer to Q&A).
Level of Support			Strong
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Grant Application Request for Proposal	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Historically, no. But this is becoming more and more important.	<ul style="list-style-type: none"> ◦ The grant application asks for a list of funding sources.
Level of Support WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area. Level of Support OVERALL SUPPORT	Grant Application Request for Proposal	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes.	<ul style="list-style-type: none"> ◦ The Senior Director showed strong support in favor of collaborative efforts.
			Strong
			VERY STRONG

Anonymous Foundation 1

Anonymous Foundation 1's Level of Support for WH4, WH4a, and WH4b: VERY STRONG

Structured Interview³⁴

In a taped conversation with the trustee of a small, family-run foundation out of Houston, Texas, (respondent chose to remain anonymous), the trustee stated that it is critical for the grant applicant's organization to be viable and financially sound on a future basis. This is a requirement if the organization wants to secure funding from the foundation.

If the grant applicant's organization is unlikely to exist in the near future due to lack of funding or financial instability, this is not a good investment for the foundation. The concept of an investment is very important to the foundation because the foundation wants a return in the future – that is, a return to the community.

It is the foundation's desire to help grant applicants maintain viability, therefore, the foundation looks to future effectiveness in these areas to making the funding decision. The name of the organization's funding sources is not important. What is important is how and who the organization is funded by (i.e., public sources, government grants, private foundations, etc.). And although community collaboration is not a formal requirement of the foundation, collaboration occurs in just about every organization the foundation chooses to fund.

Given the foundations requirement for grant applicants to provide proof of financial sustainability along with the importance given to current and future funding sources, the level of support for WH4, WH4a, and WH4b is very strong (see Table 6.30).

³⁴ No documents or archived data was provided to support this hypothesis.

TABLE 6.30 – RESULTS FOR WH4: SUSTAINABILITY
Anonymous Foundation 1

Working Hypotheses	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan	Q: Does the foundation only concentrate on current funding for the grant applicant? A: No; it is critical for the grantee to be viable on a future basis.	<p>◦ A conversation with a foundation trustee indicated strong support for sustainability plans (refer to Q&A).</p>
Level of Support		Very Strong
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Yes; only to the extent that it is necessary to prove viability. The names of the supporters are not important.	<p>◦ The trustee stressed that it is important to prove the viability of the organization – thus, additional funding sources are necessary.</p>
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes; this is not a formal requirement, but collaboration occurs in just about every case.	<p>◦ The trustee revealed that although collaboration is not required, collaboration is found in the majority of grant applicant's organizations.</p>
Level of Support OVERALL SUPPORT		Strong Strong VERY STRONG

Anonymous Foundation 2

Anonymous Foundation 2's Level of Support for WH4, WH4a, and WH4b: VERY STRONG

Document Analysis³⁵

At the request of the interviewer, the name of this foundation will remain anonymous. In reviewing the foundation's grant application, there are several questions pertaining to funding sources and financial sustainability. Some of the line items to be filled in on the grant application are as follows:

- 1) List all committed funding sources for the grant applicant's organization for the current fiscal year.
- 2) List all committed funding sources for the grant applicant's project by type of funder.
- 3) List all potential funding sources for the grant applicant's project by name of funder.
- 4) List how the grant applicant plans to sustain adequate project funding for the project beyond the time frame of the grant request.

There is not any mention of required collaboration amongst professionals in the field in any of the documents provided by the foundation. But given the extent to which the foundation wants documentation of funding sources, types of funders, names of funders, and an adequate sustainability plan, there is a strong level of support for WH4, WH4a, and WH4b.

Structured Interview

In a taped conversation with one of the foundation's program officers (the respondent chose to remain anonymous), the officer stated that it is very important to the foundation that all grant applicants exemplify a strong level of financial support and collaborative backing. For the most part, most of the organizations the foundation chooses to fund have a community-wide collaborative outreach.

³⁵ No archived data was provided to support this hypothesis.

The foundation also has a strict policy on non-duplication of services. If services are being duplicated in any one area of an organization, or amongst collaborative partners, the foundation will not fund the project. In this way, it is important for the collaborative partners to combine funding and resources to provide a broader range of services to more people.

Given the above statements, there is a very strong level of support in favor of WH4, WH4a, and WH4b (see Table 6.31).

TABLE 6.31 – RESULTS FOR WH4: SUSTAINABILITY
Anonymous Foundation 2

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Grant Application	Q: Does the foundation only concentrate on current funding for the grant applicant? A: The foundation wants to see that the organization has a strong following.	<ul style="list-style-type: none"> ◦ The grant application requires a list of funding sources. ◦ Candid discussion with the Program Officer revealed that the foundation prefers a grant applicant to be able to demonstrate sustainability for the future.
Level of Support			Strong
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Grant Application	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Definitely.	<ul style="list-style-type: none"> ◦ The program officer indicated strong support in favor of additional funding sources.
Level of Support			Strong
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Grant Application	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes.	<ul style="list-style-type: none"> ◦ There is a strong level of support for WH4b – refer to Q&A above.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Anonymous Foundation 3

Anonymous Foundation 3's Level of Support for WH4, WH4a, and WH4b: VERY STRONG

Structured Interview³⁶

In a taped interview with the executive director (ED) and project manager of a local health and human services foundation that funds initiatives for children (the respondents chose to remain anonymous), the executive director stated that since the foundation focuses on small, grassroots organizations, the expectation for the grant applicant to provide a long list of current and future funders is not as high. But it is important for the grant applicant provide *some* level of support, however small it may be.

While other foundations want to see a grant applicant's track record, the foundation would much rather be a spring board for start-up organizations seeking funds to break ground on new projects. In order to promote sustainability, the foundation divides any left-over money it may have at the end of the year among the projects the foundation has funded throughout the year.

The foundation also recently implemented challenge grants as another way to promote financial stability. In other words, if an organization raises a certain amount of money (i.e., \$50,000), the foundation will match these funds up to a certain amount (\$100,000). In this way, the grant applicant is showing a continuous level of support elsewhere.

The foundation believes it is important for community collaboration to exist amongst organizations in related fields. The foundation wants to see established relationships among organizations as well as passion and commitment. Given these statements, there is a very strong level of support in favor of WH4, WH4a, and WH4b (see Table 6.32).

³⁶ No documents or archived data was provided to support this hypothesis.

TABLE 6.32 – RESULTS FOR WH4: SUSTAINABILITY
Anonymous Foundation 3

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH4: Foundations expect the potential grantee to have a sustainability plan.	Grant guidelines Evaluation Techniques	Q: Does the foundation only concentrate on current funding for the grant applicant? A: No; the Foundation does not want to be the sole funder of an organization; the foundation expects to see a sustainability plan.	<ul style="list-style-type: none"> ◦ Grant guidelines suggest each grant applicant include a sustainability plan within the proposal. ◦ Candid discussion with the ED revealed that the foundation does not want to be the sole funder of any organization.
Level of Support			Strong
WH4a: Foundations prefer the potential grantee to provide a list of current and future funders.	Grant guidelines	Q: Is it important to the foundation that the grant applicant exemplify a strong level of support? A: Yes. However, the expectation is not as strong because the foundation wants to be a spring board for other foundations to get involved.	<ul style="list-style-type: none"> ◦ Grant guidelines ask the applicant to list all current and future funders in the proposal.
Level of Support			Strong
WH4b: Foundations prefer potential grantees to collaborate with other service providers and/or researchers within the organization's service/research area.	Grant guidelines	Q: Do most of the organizations the foundation supports collaborate with other community partners? A: Yes; we want to see established relationships with others.	<ul style="list-style-type: none"> ◦ The ED indicated that collaboration and relationship building is important to the foundation when making funding decisions.
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Overall Level of Support for WH4 from All Foundations: STRONG

WORKING HYPOTHESIS 5: FINANCIAL ACCOUNTABILITY

WH5: FOUNDATIONS REQUIRE THE POTENTIAL GRANTEE TO SUBMIT DOCUMENTATION OF FINANCIAL ACCOUNTABILITY.

Austin Community Foundation (ACF)

ACF's Level of Support for WH5 and WH5a: MIXED

Document Analysis

In ACF's on-line documents titled, "How To Apply for a Grant," ACF lists the required financial documents to be attached to all grant requests: 1) A current operating budget, 2) the most recent year-end financial statements (and an audit, if one is prepared), and 3) the most recent Internal Revenue Service (IRS) Informational Return Form 990 (taken from the Austin Community Foundation website, 2006). Although these are all signs of demonstrating whether or not the grant applicant is in good financial standing, no where on the website is this stated.

Given the required financial data listed above, minus the financial relevance of these documents, there is a mixed level of support for WH5 and WH5a.

Archived Data

Approximately 20 or more ACF grant proposals were reviewed at the time of this research. The majority of the proposals included agency budget, copies of the IRS form 990 (stated expenses, revenue, and grants), an independent auditor's reports, financial statements, and revenue and support. Most of these documents provided sound evidence of financial stability and overall financial accountability. As a result, there is strong evidence in support of WH5 and WH5a.

Structured Interview

In a taped conversation with Mr. Richard Slaughter, Executive Director for Austin Community Foundation, Mr. Slaughter stated that about 99% of the time the foundation requires the grant applicant to demonstrate financial accountability (i.e., a strong level of financial support, good management of funds, and wise investment decisions). There are a small percentage of organizations that are not doing well financially but are in need of help.

When this occurs, ACF takes a long look at the organization itself, what went wrong, whether or not the organization is a viable and worthwhile cause, and if, given proper guidance and instruction, the organization is capable of rebounding in the future.

If the grant applicant indicates signs of poor financial management, ACF will provide the grant applicant with a financial advisor to restore the organization to financial accountability. Some of the documents the foundation reviews to discern this information is the IRS form 990, the organization's most recently audited statements, as well as the operating and expense budgets.

Given the information provided by Mr. Slaughter, there is a strong level of support for WH5 and WH5a (see Table 6.33).

TABLE 6.33 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Austin Community Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability.	Grant Policy Request for Proposal Evaluation Techniques	 Archived grant proposals	Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes. Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: Yes.	◦ The Grant Policy and RFP requests financial documents to demonstrate responsible financial practices, however, poor funds management does not mean the foundation will not consider funding an organization.
Level of Support WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.	Grant Policy Request for Proposal Evaluation Techniques	 Archived grant proposals	Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: 990 tax forms, audited statements, budget, and expenses.	Neutral ◦ The grant policy lists the required documents needed to prove financial accountability.
Level of Support OVERALL SUPPORT				Strong MIXED

Hogg Foundation for Mental Health

Hogg Foundation's Level of Support for WH5 and WH5a: VERY STRONG

Document Analysis³⁷

The Hogg Foundation provides a grant proposal checklist for grant applicants to assist the applicant with submitting the required documents. Included on the checklist is the project budget along with a budget narrative explaining the intended use of funds. The checklist also includes a required copy of the IRS Form 990 detailing the grant applicant's revenue and expenses for the most recent year.

Once funds are granted to an organization, the grantee is required to submit an annual financial report on the use of foundation funds. All of these documents are used to guide the foundation's funding decision as well as the amount of funds to be given to the grant applicant.

Given the required grant proposal documents listed above, there is a strong level of support for WH5 and WH5a.

Structured Interview

In a taped interview with Carolyn Young, Executive Associate and Grant Coordinator for the Hogg Foundation, Ms. Young stated it is paramount for the grant applicant to demonstrate extraordinary financial management on all grant proposals. In order to demonstrate financial accountability, Ms. Young stated that the foundation requires all grant applicants to submit a copy of the IRS 501(c)3 Status Letter as well as a copy of the IRS Form 990. In addition, all grant applicants must submit letters from the grant applicant's latest auditor, budgets, justification for budgets, and expenses.

Based on Ms. Young's statements, there is a very strong level of support in favor of WH5 and WH5a (see Table 6.34).

³⁷ No archived data was provided to support this hypothesis.

TABLE 6.34 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Hogg Foundation for Mental Health

Working Hypotheses	Document Analysis	Interview Response	Evidence
<p>WH5: Foundations require the potential grantee to submit documentation of financial accountability.</p>	<p>Request for Proposal</p> <p>Grant Application</p>	<p>Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes.</p> <p>Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No.</p>	<ul style="list-style-type: none"> ◦ The RFP and grant application lists financial accountability as a requirement for funding. ◦ Candid discussion with the foundation's Grant Coordinator revealed that the foundation would not consider funding an organization with poor financial management practices.
<p>Level of Support</p> <p>WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.</p> <p>Level of Support</p> <p>OVERALL SUPPORT</p>	<p>Request for Proposal</p> <p>Grant Application</p>	<p>Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Tax form 990, letter from last auditor, budgets, and justification for budgets and expenses.</p>	<p>Strong</p> <ul style="list-style-type: none"> ◦ The grant application lists all of the documents needed to demonstrate good finance practices – form 990, audited statements, budgets, etc. <p>Strong</p> <p>VERY STRONG</p>

St. David's Community Health Foundation

St. David's Foundation's Level of Support for WH5 and WH5a: VERY STRONG

Document Analysis/Archived Data

Since the documents provided during the interview included archived documents, it is simpler to report the results on both in connection to one another. All of the documents provided are from the current year (2006), but were used to make grant decisions in the months prior to the interview.

St. David's Community Health Foundation invites all organizations that are interested in funding to submit Letter of Inquiry (LOI) to the foundation. Grant proposals may only be submitted when requested by a Foundation staff member in response to an LOI.

A section of the LOI process asks grant applicants to submit the most recently approved agency budget including revenue, expenses, and assets. Once the applicant has passed the LOI process, the same documents must be submitted with the grant proposal.

St. David's will not accept incomplete applications, therefore, each grant proposal reviewed contained a copy of all requested financial documents. Based on the documents provided, there is a strong level of support for WH5 and WH5a.

Structured Interview

In a taped conversation with Ms. Genie Nyer, Director of Public Health Initiatives for St. David's Community Health Foundation, Ms. Nyer stated that in order to be considered for a grant from the foundation, the grant applicant must be able to demonstrate sound financial responsibility. In other words, the grant applicant has to demonstrate good financial management, sound investment decisions, and must be in compliance with the 501(c)3 IRS codes.

Sound financial practices can be found by viewing the grant applicant's audited financial statements, cash flow, debt, budget, expenses, and IRS Form 990. Once funds are granted, the foundation then looks at each expense category of the grantee's budget to confirm the funds were spent in the most efficient and effective manner as possible.

The foundation will not, however, grant funds to an organization that is in financial distress. Financial assistance may be given to existing grantees, however, because as Ms. Nyer stated, "once you are a part of St. David's Foundation you are a part of the foundation for life" (taken from a taped conversation with Ms. Nyer on

Given the documents listed above as well as the structured interview with Ms. Nyer, there is a strong level of support for WH5 and WH5a (see Table 6.35).

TABLE 6.35 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
St. David's Community Health Foundation

Working Hypotheses	Document Analysis	Archival Data	Interview Response	Evidence
<p>WH5: Foundations require the potential grantee to submit documentation of financial accountability.</p>	<p>Grant Application</p> <p>Request for Proposal</p>	<p>Archived Grant Applications</p> <p>Archived Requests for Proposals</p>	<p>Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes</p> <p>Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No. However, financial help may be given to existing grantees.</p>	<ul style="list-style-type: none"> ◦ The grant application lists financial accountability as a key requirement in order to be considered for funding. ◦ A candid conversation with the Public Health Director revealed that good financial practices are key to decision making.
<p>Level of Support</p> <p>WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.</p> <p>Level of Support</p> <p>OVERALL SUPPORT</p>	<p>Audited Statements</p> <p>Grant Application</p> <p>Request for Proposal</p>	<p>Archived Audited Statements</p> <p>Archived Grant Applications</p> <p>Archived Requests for Proposals</p>	<p>Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Audited financial statements, cash flow, debt, budget, expenses, expense categories, tax form 990, and cost per unit</p>	<p>Strong</p> <ul style="list-style-type: none"> ◦ The majority of grant proposals contained audited statements. ◦ The grant application listed financial documents required to apply. <p>Strong</p> <p>VERY STRONG</p>

Silverton Foundation

Silverton Foundation's Level of Support for WH5 and WH5a: VERY STRONG

Structured Interview³⁸

When asked if the Silverton Foundation requires grant applicants to demonstrate financial accountability, Mr. Andy White, Executive Director, said this is not a strict requirement for the foundation. In the past, the Silverton Foundation has assisted grant applicants that had financial hardships by hiring a consultant to help the grant applicant better manage its finances.

Silverton does, however, prefer the grant applicant to distribute funds in an appropriate and efficient manner. This is looked upon very highly when an organization is submitting a grant proposal.

When the foundation is determining whether or not to help an organization that is in financial distress, Mr. White and his colleagues look at several factors. Some of the questions the foundation asks it self are: Is the organization doing valuable work in the community? Is the staff hard working and diligent? Is the grant applicant's organization's mission clear? If these questions can be answered positively, Silverton may decide to assist the organization by restoring it to financial accountability.

There are documents, however, that the foundation requires of all grant applicants – the IRS Form 990, the most recent budget and expenses, and the most recent audited statements and annual reports. The Silverton Foundation uses these documents to ascertain the financial soundness of the organization.

Based on the statements above, there is a strong level of support for WH5 and WH5a (see Table 6.36).

³⁸ No documents or archived data was provided to support this hypothesis.

TABLE 6.36 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Silverton Foundation

Working Hypotheses	Interview Response	Evidence
<p>WH5: Foundations require the potential grantee to submit documentation of financial accountability.</p>	<p>Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: In general, yes.</p> <p>Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: Yes; the foundation may fund a consultant to help an organization build financial accountability.</p>	<p>◦ The ED indicated that financial accountability plays a key role in funding decisions.</p>
<p>Level of Support</p> <p>WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.</p> <p>Level of Support</p> <p>OVERALL SUPPORT</p>	<p>Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Tax form 990, budgets, expenses, audited statements.</p>	<p>Strong</p> <p>◦ The ED listed the following documents used to prove good financial practices: form 990, budgets, expenses, etc.</p> <p>Strong</p> <p>VERY STRONG</p>

United Way Capital Area

United Way's Level of Support for WH5 and WH5a: VERY STRONG

Document Analysis³⁹

United Way has a Partner Agency Agreement United Way enters into with a grantee once funding has been approved. The agreement is signed by the grantee and the grantee is held accountable for all items listed in the agreement. Contained in the agreement is a section on financial accountability and required documents to be submitted to United Way every five months.

The Partner Agency Agreement is as follows:

The Agency [or grantee] agrees to maintain complete and accurate books, accounts and records in accordance with generally accepted accounting principles and financial reporting standards applicable to nonprofit corporations. Agency agrees to engage independent public accountants to conduct an annual audit of its financial statements and condition and to submit the results of such audit together with the accountants' Management Letter, or other reports on the review of Agency's fiscal controls, to United Way within 150 calendar days (five months) of the end of each Agency's fiscal year.

By having a financial agreement in place this allows United Way to monitor the grantee's accounts and records to ensure financial stability. In this way, United Way is ensuring a return on its investment.

If a grantee manages to hit a few financial road blocks such as poor investments or mismanagement of funds, the grantee has to make significant financial improvements and provide evidence of these improvements in support of the agency's efforts to get "out of the red" (taken from United Way's Review Criteria documents).

Another section of the United Way's Review Criteria states that the grantee has to be able to manage financial resources effectively in the following manner:

³⁹ No archived data was provided to support this hypothesis.

1. The agency [grantee] has submitted 990 forms to the IRS and is current in its payment of payroll taxes.
2. The audit management letter, if issued, does not identify material financial management issues, or if issues are noted, the agency has implemented changes as necessary.
3. The agency's year-to-date revenues and expenses, as compared to the budget, demonstrate sound financial management.
4. The most recent audits from the two previous fiscal years show that the agency kept operating expenses within revenues.

These are just a few of the financial agreements listed in the Partner Agency Agreement. Failure to meet the terms of the agreement including the submission of all reports, audits or other requested information may result in suspended payment allocations (for current grantees) or non-consideration of funding (for grant applicants).

Based on the aforementioned documents, there is a very strong level of support for WH5 and WH5a.

Structured Interview

In a taped interview with Michelle Krecji Huck, Senior Director of Community Investments for United Way, Ms. Huck stated that it is very important for grant applicants to maintain financial accountability at all times. As listed above, United Way requires a grantee to report on the condition of the grantee's financial books and statements each quarter before a payment is posted to the grantee's account. This procedure was implemented as a precaution for United Way to know of any financial hardships the grantee may be suffering before funding has been implemented.

United Way requires the grant applicant to submit the usual and customary documents of any foundation: budgets and expenses, form 990, most recently audited statements, and

monthly financial statements. As such, there is a strong level of support in favor of WH5 and WH5a (see Table 6.37).

TABLE 6.37 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
United Way of the Capital Area

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability	Grant Application Request for Proposal Review Criteria Investment Funding Policy	Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes; definitely. Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No.	<ul style="list-style-type: none"> ◦ The grant application provides a place for financial information from every applicant. ◦ The Review Criteria cautions board members to pay attention to the grant applicants budgets, expenses, financial statements, etc.
Level of Support WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses Level of Support OVERALL SUPPORT	Grant Application Request for Proposal	Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Budgets, expenses, tax form 990, audited statements, monthly financial statements.	Strong <ul style="list-style-type: none"> ◦ The grant application requires applicants to provide detailed information about the org's financial practices. Strong VERY STRONG

Anonymous Foundation 1**Anonymous Foundation 1's Level of Support for WH5 and WH5a: VERY STRONG****Structured Interview⁴⁰**

In a taped conversation with the trustee of a small, family-run foundation out of Houston, Texas, (respondent chose to remain anonymous), the trustee stated that if the foundation finds a grant applicant to be financially unstable, the foundation will not approve funding for the organization.

The foundation considers financial accountability to include sources of funding and the overall budget of the grant applicant. If the grant applicant has a diverse list of funding from various sources and the applicant's budget and expenses are accurately appropriated, the foundation feels the organization may be a good financial investment.

But if the foundation finds the grant applicant to have a large amount of debt with an over-extended budget, the foundation will not fund the applicant's organization. Oftentimes, the foundation has had to turn away many good causes due to poor financial accountability. As such, there is a very strong level of support for WH5 and WH5a (see Table 6.38).

⁴⁰ No documents or archived data was provided to support this hypothesis.

TABLE 6.38 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Anonymous Foundation 1

Working Hypotheses	Interview Response	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability.	Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes. Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No.	<p>◦ Candid discussion with the foundation trustee revealed that the foundation will not fund an organization unless the organization can prove sound financial management.</p>
Level of Support WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses. Level of Support OVERALL SUPPORT	Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: The foundation requests budgets with audited financial statements from all grantees.	<p>Strong</p> <p>◦ The foundation officer provided a list of the required financial documents (see Q&A).</p> <p>Very Strong VERY STRONG</p>

Anonymous Foundation 2

Anonymous Foundation 2's Level of Support for WH5 and WH5a: VERY STRONG

Document Analysis⁴¹

The program officer interviewed requested anonymity for herself as well as the foundation. Because the interview was conducted over the phone rather than in person, it was difficult to obtain much information about the foundation's grant process. Therefore, the following information was obtained via the foundation's website.

The foundation accepts grant applications year round and reviews them on a quarterly basis. Listed below are the required documents to be attached as an addendum to the application:

⁴¹ No archived data was provided to support this hypothesis.

- A copy of the IRS 501(c)3 status letter
- Most recently filed IRS Form 990
- A copy of last year's audited financial statements
- Most recent Annual Report
- Letter of support from the organization's board chair

All of these documents are used in order for the foundation to decipher whether or not the grant applicant is in financial accountability financially. If the grant applicant is not fiscally sound, the foundation is not likely to award funds. In addition, the grant application requires a listing of the grant applicant's project budget and expenses. These documents will show the foundation whether or not the funds are being used wisely and if the funds are being allocated in the appropriate areas.

Although there is a limited amount of information on the subject of the foundation's requirements pertaining to financial accountability, there is sufficient evidence in support of WH5 and WH5a.

Structured Interview

In a taped interview with the program officer of a small, family-run foundation based in Austin, Texas, the officer stated that the foundation is strong in its resolve for all grant applicants to be financially sound. In other words, no mismanaged funds, no misappropriated spending, and a good balance between a well-planned budget and reasonable expenses.

According to the officer, the foundation will not fund grant applicants that cannot demonstrate financial accountability. In addition, the foundation will not assist grant applicants that are in the red (financially) to restore the organization back to good standing. In order to discern this information, the foundation requires the usual documentation such as the IRS form 990, audited statements, a current and future list of funders, as well as budgets and expenses.

Based on the foundation officer's comments as well as the aforementioned documentation, there is a strong level of support in favor of WH5 and WH5a (see Table 6.39).

TABLE 6.39 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Anonymous Foundation 2

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability.	Grant Application	Q1: Does the foundation require grant applicants to demonstrate financial accountability? A1: Yes. Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No.	<ul style="list-style-type: none"> ◦ The grant application requires financial documents to prove good financial management.
Level of Support			Strong
WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses.	Grant Application	Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Tax form 990, audited statements, budgets, and expenses.	<ul style="list-style-type: none"> ◦ The Program Officer provided a list of the required financial documents: tax form 990, audited statements, etc. (see Q&A).
Level of Support			Strong
OVERALL SUPPORT			VERY STRONG

Anonymous Foundation 3

Anonymous Foundation 3's Level of Support for WH5 and WH5a: VERY STRONG

Structured Interview⁴²

In a taped interview with the ED and project manager of a local health and human services foundation that funds initiatives for children (the respondents chose to remain anonymous), the ED stated that the foundation has learned the hard way to practice due diligence when it comes down to funding a program or initiative.

⁴² No documents or archived data was provided to support this hypothesis.

In the early years of the foundation, the executives were “burned” on more than one occasion by not asking for sufficient evidence to prove financial responsibility. Now, the foundation looks for trustworthiness, accountability, and honesty in grant applicants.

The foundation does this by asking grant applicants to submit an operations budget, a program budget, bank account statements, and audited financial statements. The foundation will not fund an organization that is not able to demonstrate sound financial decisions in these areas.

Based on the information above, WH5 and WH5a have been proven as true (see Table 6.40).

TABLE 6.40 – RESULTS FOR WH5: FINANCIAL ACCOUNTABILITY
Anonymous Foundation 3

Working Hypotheses	Document Analysis	Interview Response	Evidence
WH5: Foundations require the potential grantee to submit documentation of financial accountability	Grant guidelines	Q1: Does the foundation require grant applicants do demonstrate financial accountability? A1: Yes. The foundation looks at accountability, trustworthiness, and honesty. Q2: Will the foundation fund an organization that cannot demonstrate financial accountability? A2: No	<ul style="list-style-type: none"> ◦ Grant guidelines suggests that all grant applicants provide proof of sound financial practices. ◦ A candid discussion with the ED revealed the foundation will not consider funding if the applicant cannot demonstrate good financial responsibility.
Level of Support WH5a: Foundations require the potential grantee to submit a copy of the organization's most recently audited statements, budget and expenses Level of Support OVERALL SUPPORT	Grant guidelines	Q: What documents does the foundation require grant applicants to submit to demonstrate financial accountability? A: Operation and program budget, and audited bank account statements.	Strong <ul style="list-style-type: none"> ◦ The ED listed the usual and customary documents used to prove financial accountability: budges, bank statements, etc. (see Q&A) Very Strong VERY STRONG

Overall Level of Support for WH5 from All Foundations: VERY STRONG

CHAPTER 7: CONCLUSIONS

Purpose

The purpose of this applied research project was to seek and find the criteria public health foundations in the Austin, Texas area deemed most desirable in a potential grant candidate. The documents analyzed yielded very interesting results and were used as a resource to either prove or disprove five sets of working hypotheses. In addition, archived documents and structured interviews were used to extrapolate the data needed as evidence in favor of or against each set of hypotheses.

This chapter summarizes the results obtained from the aforementioned resources (documents, archived data, and structured interviews) and draws conclusions from the findings to determine if there is a weak, strong, or mixed level of support for each hypothesis. Comments and conclusions follow.

FOCUS AREAS (WH1)

Overall Support: Very Strong

WH1 states, “foundation’s maintain internal focus areas that direct the foundation’s funding decisions.” Before these decisions can be made, according to WH1a and WH1b, there must be a direct connection between the foundation’s focus areas and the grant applicant’s focus areas. In other words, the two must be on one accord. In order to utilize funds in an efficient and effective manner, foundations must first define focus areas to which the foundation officers direct the funding.

The majority of foundations interviewed had some set of predetermined values and initiatives on which the foundation based its funding. The Hogg Foundation, for instance, was created with a focus on underserved populations in the areas of mental health issues. St. David’s Community Health Foundation exists to provide funding in multiple areas of health care – physical health, mental health, oral health, and special populations (such as older adults and children with disabilities).

On the other hand, there was a small number of foundations (two, to be exact) that did not operate under a set of guidelines limiting the focus of the foundation. For instance, Austin Community Foundation funds a wide range of issues from health care to education, and more. There are no set focus areas that define ACF's funding decisions, thereby leaving the door of opportunity open to a variety of programs to apply for funding.

Then there is Anonymous Foundation 1 whereby the program officers bring any number of initiatives to the table. Since there are no focus areas (only guidelines as to how the funding decisions are made) the foundation has been known to fund a wide variety of initiatives and programs as well.

A large number of foundations interviewed had focus areas, thereby conveying a very strong level of support for WH1. The documents and archived data analyzed showed evidence of there being focus areas in a large majority of the foundations as well.

SOCIAL NEEDS (WH2)

Overall Support: Very Strong

Working Hypothesis 2 is based on the premise that foundations exist to provide an unmet social need within the community. Foundations fulfill this purpose by funding worthy causes in hopes of meeting these needs.

The majority of foundations interviewed agreed with this concept. Not only did they agree, but most of the foundations wanted to see the desired outcomes in the community if the social needs were met. This evidence alone provided a very strong level of support for WH2.

United Way, for example, takes an assessment of community needs every five years and structures the United Way's focus areas around the largest, unmet needs in the community. By doing this, United Way is acting in a very proactive manner to solve the social problems of today.

In its grant application, United Way states that the grant applicant must be able to demonstrate that the need for which the organization is applying for funding is a significantly unmet social need within the community. United Way finds this to be one of the most compelling reasons to fund an organization.

Anonymous Foundation 3 was created after the founders saw a lack of support in the areas of food, shelter, and education for the children of Ethiopia. The interest in this part of the region yielded evidence of a lack of support in other areas as well – areas such as life and job skills, extracurricular activities, health and nutrition, safety and security, sports, and summer camps for children.

Once the founders moved to Austin, Texas they found a lack of support in some of the same areas of interest in the poorer neighborhoods of East Austin, thereby causing the foundation to become involved in meeting the needs of Central Texans as well.

A large number of foundations interviewed agreed that social need is the driving force behind many foundation's funding decisions. Once the data was gathered and the documents were analyzed, it was quite apparent that the data reinforced the information gleaned from the interviews. Indeed, there appeared to be a very strong level of support in favor of WH2.

IMPACT (WH3)

Overall Support: Strong

WH3 asserts that foundations want to see the level of impact the foundation's funds will have on the organization and the people served before grant decisions are made. Foundations do this in a number of ways, two of them being conducting site visits to the grant applicant's operational facilities and requiring a report of projected outcomes in the community once the funds are granted.

Five out of eight foundations interviewed felt *very* strongly in favor of WH3, one out of eight foundations interviewed provided a strong level of support for WH3, and two foundations had mixed responses. Anonymous Foundation 2 had mixed responses simply because the

person being interviewed answered positively in favor of questions 1 through 3 pertaining to WH3, but did not address the last question in a direct manner. Rather, the interviewee asked for clarification of question 3 and when unable to provide an answer, asked to move on to the next question. Therefore, a mixed reaction was given in response to WH3.

The Hogg Foundation was the other foundation to provide mixed responses to the questions asked. The grant coordinator interviewed stated that the foundation wanted to have a rather large, obvious impact in the community but that site visits were rarely utilized to gather this information. Rather the grant proposal is very thorough and insightful, thereby providing the necessary information to conclude the level of impact the grant applicant is having in the community.

Other than these two examples, there was ample support via interviews and document analysis to determine a strong level of support for WH3.

SUSTAINABILITY (WH4)

Overall Support: Strong

Once again, five out of eight foundations interviewed had *very* strong opinions about whether or not the grant applicant should have a sustainability plan, one out of eight foundations had strong opinions, and two out of eight foundations were mixed. In the end, the overall support for WH4 was strong.

St. David's Community Health Foundation, for instance, is very open with grant applicants about the importance of a sustainability plan. It is the foundation's desire not to be the sole supporter of any organization. Because of this, St. David's Foundation has a tendency to fund initiatives that are long-lasting and that have a strong amount of support and financial backing. This ensures the foundation that the needs of the community have a stronger chance of being met even after funding ends.

In 2005, the Silverton Foundation incorporated collaborative granting as a core component of its activities to promote greater community awareness of commitment to social

enterprise. The foundation did this because, according to the foundation's annual report, "by acting in concert with other funders, community needs can be more effectively identified and addressed, enhancing both the quality and quantity of Foundation granting" (taken from the 2005 Silverton Foundation Annual Report and Guidelines⁴³). In this manner, the Silverton Foundation is striving to have an existence whereby the foundation's funding initiatives make a rather large and significant impact in the community.

Due to lengthy interviews, document analysis in favor of sustainability, and information derived from archival data, there is a strong level of support for WH4.

FINANCIAL ACCOUNTABILITY (WH5)

Overall Support: Very Strong

The foundation for WH5 is based on the assertion that financial accountability and fiscal responsibility are at the core of the decision making process. This is because WH5 states that rather than financial accountability being a desire of the foundation, it is a *requirement*.

The majority of foundations interviewed (seven out of eight) stated that the foundation would not consider funding an organization if the grant applicant was unable to provide evidence of accurate accounting procedures, logical appropriated spending (expenditures), balanced budgets, and positive audited financial statements.

By and large, the majority of foundations interviewed required the exact same documents as evidence of the aforementioned measures – approved budgets and expenses, the most recently audited financial statements, IRS form 990, and proof of 501(c)3 status.

Only one foundation exhibited mixed responses to WH5. The executive director (ED) of Austin Community Foundation (ACF) stated that 99% of the time, ACF expects grant applicants to be in good financial standing when applying for a grant. Then there is the slim chance of getting a grant application for an applicant that is experiencing serious financial problems.

⁴³ The 2005 Silverton Foundation Annual Report and Guidelines is the most current report; 2006 is not yet available.

According to Richard Slaughter, ED for ACF, the officers of the foundation believe that sometimes the foundation has to take a chance on an organization. If ACF sees a need or a problem, the foundation strongly believes that it cannot run away from it.

Instead, ACF has to take a risk and attempt to restore the grant applicant to its functioning capacity. In this manner, ACF provides a mixed level of support in favor of WH5. However, overall, there is still a very strong level of support for WH5.

Table 7.1 lists all eight foundations and provides support ratings for each set of hypotheses.

TABLE 7.1
SUPPORT RATINGS FOR ALL FOUNDATIONS

	ACF	Hogg	St. David's	Silverton	United Way	Anonymous 1	Anonymous 2	Anonymous 3
Support Rating for WH1: FOCUS AREAS	Strong	Very Strong	Very Strong	Very Strong	Very Strong	Mixed	Strong	Strong
Support Rating for WH2: SOCIAL NEED	Mixed	Very Strong	Very Strong	Very Strong	Very Strong	Mixed	Strong	Very Strong
Support Rating for WH3: IMPACT	Strong	Mixed	Very Strong	Very Strong	Very Strong	Very Strong	Mixed	Very Strong
Support Rating for WH4: SUSTAINABILITY	Mixed	Mixed	Very Strong	Strong	Very Strong	Very Strong	Very Strong	Very Strong
Support Rating for WH5: FINANCIAL ACCOUNTABILITY	Mixed	Very Strong	Very Strong	Very Strong	Very Strong	Very Strong	Very Strong	Very Strong

COMMENTS

No one foundation is made alike. While some foundations exist to fulfill mutual community needs, others take on a more proactive role by identifying issues before the problem arises. While some foundations focus on areas of health care, others focus on prenatal care or preventing teenage pregnancy.

Whatever the cause, and however it is achieved, there is one underlying theme throughout every foundation: and that is to provide a specific level of funding to sustain an organization so that the grant applicant is functioning at its fullest capacity. Some grant applicants will educate themselves on how to best plan and prepare a grant proposal or application, thereby increasing the grant applicant's chance of securing funding. Others will continue to submit well-intentioned proposals with no evidence of preparation or forethought, thereby forcing many foundations to deny grant requests for well-deserving worthy causes.

Then there are those grant applicants that, even though their organization may not have the budget to hire the most polished professionals, the applicant will take the time to read, explore, and find the answer to one of the most compelling questions grantees want to know: What do foundations want anyway?

BECOME EDUCATED

To learn more about the answers to several granting questions, visit the Hogg Foundation for Mental Health Library, The University of Texas at Austin, located at Lake Austin Centre, 4th Floor, 3001 Lake Austin Boulevard, Austin, Texas 78703-4200 or visit www.hogg.utexas.edu.

To find comprehensive data on more than 1.5 million non profit organizations (including foundations) visit www.guidestar.org. No matter the resource chosen or the way in which it is obtained, the old adage still holds truth: Knowledge is power.

Appendix I:

ST. DAVID'S COMMUNITY HEALTH FOUNDATION MISSION STATEMENT

St. David's Community Health Foundation Mission Statement:

“St. David's Community Health Foundation is a community-owned charitable foundation that is working to improve the health of Central Texans. Through leadership, education and collaboration with other community organizations, the Foundation supports programs that increase access to health care.”

Source: www.sdchf.org

Location: St. David's Community Health Foundation
811 Barton Springs Road, Suite 600
Austin, Texas 78754
(512) 879-6600 Main
(512) 879-6250 Fax

Appendix II:
FOUNDATION CONTACT SHEET

FOUNDATION CONTACT SHEET

Organization	Contact Information
Austin Community Foundation	Richard Slaughter Executive Director P. O. Box 5159 Austin, TX 78763-5159 (512) 472-4483 Main rslaughter@austincommunityfoundation.org www.austincommunityfoundation.org
Hogg Foundation for Mental Health	Carolyn Young Executive Associate & Grant Coordinator P. O. Box 7998 Austin, Texas 78713-7998 (512) 471-5041 Main c.young@mail.utexas.edu www.hogg.utexas.edu
St. David's Community Health Foundation	Genie Nyer Director of Public Health Initiatives 811 Barton Springs, Suite 600 Austin, TX 78704 (512) 879-6610 Direct genie@sdchf.org www.sdchf.org
Silverton Foundation	Andy White Executive Director 1000 Rio Grande Austin, TX 78701 (512) 472-6262 ext. 204 andywhite@silvertonfoundation.org www.silvertonfoundation.org
United Way of the Capital Area	Michelle Krejci Huck Senior Director of Community Investments 2000 E. MLK Jr. Blvd. Austin, Texas 78702 (512) 472-6267 Main (512) 482-8309 Fax michelle.huck@unitedwaycapitalarea.org www.unitedwaycapitalarea.org

Appendix III:
INFORMED CONSENT STATEMENT

INFORMED CONSENT STATEMENT

Texas State University

Thank you for your consent to be interviewed in this applied research project. You will be participating in a study that identifies the most relevant granting criteria used by some of the most prominent philanthropic organizations in Austin, Texas. This research study will entail structured interviews with public and private foundations. The goal of this study is to find the grant criteria foundations most commonly utilize when deciding which programs and/or research to fund. One of the potential outcomes is to assist in streamlining grant proposals, thereby making the overall granting process more efficient and effective.

Your participation in this study is voluntary. Your refusal to participate poses no penalty to you and you may discontinue participation at any time.

If you have any questions or concerns, please contact me at (512) 587-9770 or via e-mail at tina@sdchf.org. You may also direct any questions or concerns to Dr. Patricia Shields, Texas State University MPA Director and Applied Research Project (ARP) Advisor at (512) 245-2143 or via e-mail at ps07@txstate.edu. You may also contact Dr. Craig Hanks, Chair of the Texas State University Institutional Review Board (IRB) at (512) 245-2282 or via e-mail at ch25@txstate.edu.

Thank you for your participation in this research project.

Sincerely,

Tina F. Prentice

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