



Strategies for Investing in a Grantee's Future

Examples of Investments in Enterprise Capacity

The David and Lucile Packard Foundation

Packard's **Organizational Effectiveness** program funds grantees to help them build core strengths in areas like strategic and business planning, financial management, board and executive leadership, and communications. The foundation also make grants to build these capacities among groups of leaders and cohorts of grantees, through initiatives called Partnership Projects—so that nonprofit leaders can share knowledge, learn from their peers, and grow their networks.

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The Gaylord and Dorothy Donnelley Foundation

The Gaylord and Dorothy Donnelley Foundation supports small, professional arts organizations of all disciplines in the Chicago region. In addition to providing general operating support to these organizations, the foundation provides matching grants of up to \$25,000 to help organizations **establish or expand operational reserve funds**. The cash reserve program is by invitation only. As part of the process, organizations must keep funds in a separate account and have a board-approved reserve fund plan detailing when funds may be drawn and over what time period, including a fundraising plan for replenishing any draws.

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The Gordon and Betty Moore Foundation

Within restricted program funding, the Gordon and Betty Moore Foundation has made **targeted, strategic investments in the infrastructure** of a few key grantee organizations. For example, the foundation has helped support donor market research, salaries of key fundraising staff, the cost of undergoing a financial audit for one organization's first few years, staff recruitment and training, and funding for physical expansion.

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Greater New Orleans Foundation

On a two-year cycle, the Greater New Orleans Foundation invites organizations to apply to be part of the **Freeman Board-Restricted Reserve Challenge**. The challenge matches one dollar for every two dollars raised by nonprofits. The funds raised and matched will establish a reserve or "rainy day" fund to stabilize a nonprofit's finances, provide a cushion against unexpected events, or serve as working capital for an unplanned opportunity. Nonprofits have 12 months to meet the challenge and receive technical assistance and peer-learning support throughout the year. The Freeman Challenge also includes an option for an endowment challenge.

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The Ford Foundation

The Ford Foundation is currently implementing a five-year **Building Institutions and Networks (BUILD)** initiative. With the goal of supporting social justice organizations in becoming more durable and resilient, the foundation provides grantees in the program with multi-year funding commitments, a significant portion of which is in the form of general operating support. The remaining funds are designated as core support to strengthen areas that are vital to these organizations' impact—including strategic vision and clarity, leadership, management systems, and financial stability.

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The Hewlett Foundation

As part of its Effective Philanthropy program, the Hewlett Foundation provides targeted **organizational effectiveness** grants to help grantees strengthen their internal systems and leadership. Intended to enable organizations to do their work better and enhance their impact, these grants can be used to build capacity in areas such as strategic planning; leadership transitions; board development and governance; communications planning and digital strategy; diversity, equity and inclusion; and fundraising.

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The Jim Joseph Foundation

Seeing multi-year support as a key element for grantees to achieve success in their work, the Jim Joseph Foundation made the decision at its founding to focus on **multi-year grants**. In its first seven years, over 90% of the grants made by the foundation were multi-year grants, with the majority being for three years or more. The foundation has found that multi-year grants support a relational approach to philanthropy and enable grantees to respond to and overcome challenges with the assurance that they will have the time, resources, and support needed to do so.

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Tipping Point Community

Tipping Point Community provides **targeted investments** to help grantees build capacity in areas that are typically challenging to fund. These one-time, restricted grants provide the resources grantees need to grow and increase their impact. Tipping Point considers investments in a range of areas, including strategic planning, financial planning and management, fundraising and communications strategy, talent strategy, and technology.

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van Beuren Charitable Foundation

vBCF provides flexible funding to support the quality of life and place in Newport County, Rhode Island with a focus on education, health, community prosperity, and excellence in the commons. Funding ranges from project and program to **general operating, capital, and capacity building funds**. Multi-year funding is provided given that there is a strategic plan and three year projected budget. Coaching grants are a key cornerstone of supporting established and emerging leaders, managers, and board members. The Foundation meets with and surveys nonprofits to shape its capacity building—its current focus is broadly supporting groups to build sustainability.

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Walter & Elise Haas Fund

About 70% of the Walter and Elise Haas Fund's Economic Security portfolio includes **unrestricted and multi-year grants**. This has resulted in less transactional relationships and more trusting, effective partnerships with grantees. Instead of focusing on grant proposals and funder cultivation, grantees can re-allocate that time towards increasing its impact and reach. And instead of foundation trustees/board members fixating on year-over-year, project-specific grants, they can learn more about the trends and challenges in the field and how philanthropy can best support solutions.

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Weingart Foundation

With the belief that unrestricted funding is essential to providing nonprofit leaders with the flexibility and nimbleness needed to effectively manage and strengthen the long-term capacity and effectiveness of their organizations, **multi-year unrestricted operating support** continues to be the primary grant strategy of the Weingart Foundation. Weingart provides unrestricted operating support to organizations, coalitions, and collaboratives working to advance social and economic justice so they can better achieve their mission and overall strategic goals and priorities, and the Foundation will award the full grant up front.

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