Ramping Up Your Foundation

Key considerations for Planning and Managing a Significant Increase in Giving

PRIMER SERIES

BRIEF PAPERS ON KEY SMALL FOUNDATION TOPICS

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Table of Contents

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I. Introduction

More foundations than ever before are facing the exciting prospect of significantly ramping up and increasing charitable giving and other activities. Ramping up can offer a number of opportunities for a foundation, including deep engagement of the board, community, and other key stakeholders; extended reach and influence on issues and communities of greatest interest; exploration into new funding strategies and areas; and ultimately greater impact.

Whether resulting from the receipt of an estate, sale of a company, or simply a decision to contribute more resources and/or spend assets more aggressively, foundations that ramp up are undergoing a shift in scale that often requires major changes in infrastructure, staffing, governance, grantmaking, and use of expert resources.

The timeframe for ramping up can be sudden or highly anticipated and spread out over a generous period. Whereas the pressures to get up to speed are more urgent in the case of an unexpected infusion of resources, even the well-planned situation will likely present its surprises and challenges, such as getting money "out the door"; hiring and training new staff; right-sizing the foundation's infrastructure, policies, and procedures; working with new trustees; and managing community and board expectations.

This primer is designed to help foundations thoughtfully and responsibly plan for a significant ramp up in giving and/or adjust to a sudden infusion of assets. Drawing on the experiences of a number of foundations that have undergone this transition, the primer addresses key considerations for foundation leadership in the areas of governance, staffing and operations, grantmaking and evaluation, investments, and tax and legal arenas.

II. Planning for a Ramp Up

The value of planning ahead for an infusion of assets cannot be underestimated. Even if the timing is uncertain, many foundation boards know whether there is likely to be a growth in corpus at some point, and how big that growth will be.

The benefits to planning ahead include the chance to clarify vision; understand donor intent; develop a team of advisors and board members who will support the ramp up; groom and educate board members for greater responsibility; get ahead of the curve on staffing and other infrastructure needs; and take time to explore new issue areas, build institutional knowledge, and experiment with new approaches.

Without time to plan, a foundation may find itself scrambling, under pressure to "build the plane while flying it," and forced to improvise or settle on avoidable, suboptimal solutions. One foundation leader noted the importance of developing a strategic framework while maintaining the flexibility to nimbly adapt and innovate.

WHAT GOES INTO A PLAN?

Start with strategy. Even if the foundation has been in existence for years, it is important to begin at the strategic level with a thoughtful look at the foundation's vision for change—its mission, goals, donor legacy, and broad strategies. Greater resources that come with an infusion of assets may enable a much more ambitious vision of success and a more robust set of strategies. There may be a temptation to begin building out staff positions and new program initiatives quickly, but experienced foundation professionals advise foundations to focus first on the more important strategic issues. Once those are clarified, tactical decisions can flow from them.

Understand donor legacy goals. Understanding and documenting donor legacy can dramatically reduce confusion and guide many key decisions.

When possible, engage the founding donor(s) in conversations—and ideally documentation—about their desires regarding continuity of mission, legacy grants or institutions, succession, governance, and perpetuity. Often ramp ups occur during emotional times (e.g., the passing of a loved one), and it can be grounding and reassuring to refer back to recorded conversations with or written documents by the donor(s).

If the donor has passed away, or is no longer involved in foundation management, review the foundation's history through its founding documents, grantmaking records, and recorded conversations with founders, if available. This is a valuable process even when the donor has decided to let successors fully shape the next phase. For example, certain records may reflect legal restrictions on the use of assets that must be considered if any changes are planned. New times often call for new strategies, and you will need to choose how to honor the donor's legacy appropriately and, if necessary, develop a strategy to alter or phase out some of the prior grantmaking relationships responsibly.

Keep in mind: It may be challenging to manage individuals' and organizations' different expectations for events after a donor's passing. Don't be surprised to find varying perspectives on what was thought to have been promised by the donor, and be sure to turn to the previously mentioned documents and recordings as needed.

Talk to peers. Don't reinvent the wheel. Talk to staff and board members of other foundations that have been through a ramp up, and learn from their experience. Exponent Philanthropy can connect you to peers.

Engage stakeholders. Be inclusive during the planning process. Stakeholders can include not only founders, board, and staff, but also grantees, other funders, and community leaders. Especially if the ramp up is high profile, anticipation will be high as well. It will be important to communicate openly and transparently. This may be an opportunity to go on a listening tour to better understand community or issue area needs. Some foundations establish stakeholder advisory groups to help them listen, learn, and engage.

Build a team. You are likely to need a team that includes those who can advise on philanthropic strategy, as well as governance, organizational/family systems, tax and legal matters, financial planning, investments, and operations. Find out about your current advisors' experience navigating transitions like these and working with foundations at larger scale. You may need to supplement some specialized resources. If you have the luxury of building that team before the ramp up hits, you will be in a much better position.

Develop a plan. Document the various components of a plan as it unfolds. An ever-evolving plan provides an opportunity for feedback and improvement as well as documentation of institutional knowledge. Use the checklist in the appendix to make sure your plan includes everything it should.

Test, learn, and evolve. Even with careful planning, events associated with a ramp up can be uncertain (particularly if they involve a transfer of assets from an estate), and you may find that you must act without complete understanding, or before you have been able to adjust your systems. Carefully monitor how such actions go, and then modify the systems and processes based on what you learn. You may have to repeat this process several times, building and refining your systems, staffing, and grantmaking process in a series of cycles. Remind yourself that this is an evolving process—you don't have to figure out everything at the beginning. Test, learn, and evolve over time.

FUNDER STORIES: PLANNING

The John T. Gorman Foundation grew from $20 million in 1995 to $180 million in 2010 when Tom Gorman passed away. CEO Tony Cipollone was hired in 2011 as the first staff member and had to make a lot of decisions quickly. "Where to start is a challenge. You have to figure out which things are essential and which are simply important. It's really about setting the priorities and, at the same time, making sure you move sufficiently quickly so as to instill confidence but deliberately enough so as not to scare anyone." Says Cipollone of the foundation's board, "They had to adjust and adapt to a different way of working because they hadn't worked with staff before—and I'm appreciative that they did so quite smoothly."

The New Belgium Family Foundation was established in 2013 with roughly $6 million in assets, and since then has anticipated an additional $40 million in 2018. According to Executive Director Lucy Cantwell, "Knowing the contribution was pending encouraged us to incorporate it into our strategies even when it was several years away, and this is obviously an ongoing process."

III. Key Considerations in Ramping Up

A. GOVERNANCE

The foundation board naturally plays a fundamental role in planning for, navigating, and overseeing a ramp up. For foundations with adequate staff already in place, much of the day-to-day planning and implementation can be delegated, but it is still up to the board to drive the critical strategic planning work and exercise financial stewardship. For foundations with few or no staff resources, growth can require a significant amount of time and expertise on the board's part.

Key considerations include:

Board engagement and buy-in—Thoughtfully involving the full board throughout the ramp up is crucial during this time of transition. Engaging the board in shared learning and strategic planning is an effective way to ensure that the trustees have contributed to and are aligned with the foundation's future plans. Especially if the influx is sudden, the board is likely to need to meet more frequently during the transition.

Board size and composition—A ramp up is a natural time to consider changes to board size and composition. Sometimes it is a moment that allows for a shift from a founder-driven board to a more collaborative group. Growing the board in size and diversity is helpful for bringing in new perspectives and expertise, and for sharing increased responsibilities. If the board has not already done so, this is also a good time to build a pipeline of future leaders and educate the next generation leaders in the foundation's work and good governance practices.

Board member orientation—If new board members are brought in, they will need to be oriented. It can be helpful to create orientation documents that share the foundation's history, including why the donor(s) chose to establish it and the intended legacy. Thoughtfully introducing new board members can help to bridge the gap between new and existing ones, providing a level of shared understanding that will assist in making strategic planning more productive.

Governance structure—Forming committees to lessen board members' individual workloads and leverage their expertise is an effective way to manage the added work of a ramp up. The need for board committees can develop as a foundation expands its board size or considers adding non-board members to strengthen board capacity. Typical committees focus on investments, grantmaking, governance, and financials. As a foundation grows its staff size, it may also want to add a compensation committee.

Executive staffing needs—Take a close look at the foundation's needs for staffing and the roles that must be filled. If a CEO or executive director is already in place, involve that person in conversations about the foundation's direction, and assess what resources that person will need to be successful during the transition. If he or she is not comfortable filling the position's new demands, consider bringing in additional staff to share the work.

If, after straightforward conversations, it is clear that your existing CEO or executive director does not have interest in managing the foundation at its new level or the fundamental qualities necessary to do so, work with an employment attorney or human resources consultant to handle termination.

If you are hiring a first staff person, look for someone who can manage the ramp up as well as the foundation's anticipated operations. Ensure that each board member spends significant time with the new hire, and put processes in place to ensure regular and sufficient communication between board members and staff. (Refer to Exponent Philanthropy's primer "Hiring Great Staff.")

Changing roles—Ramp ups often necessitate changes in board members' roles as the foundation's work increases and staff are hired. In many cases, this involves the board delegating more responsibilities to staff, which can be a hard transition. As with most elements of this process, frequent and open communication between board and staff is key as roles shift and change.

Policies—As new board members and staff become involved and roles change, it is increasingly important for the board to formalize processes and adopt governance, grantmaking, and operational policies. Governance policies will include guidelines on succession, leadership, and decision making. Grantmaking and operational policies will address application guidelines, investments, spending, discretionary grantmaking, and more. Formal policies ensure clarity and agreement, and help to forestall problems in the event of conflicting opinions.

FUNDER STORY: GOVERNANCE

Established in 1978, **the Cynthia and George Mitchell Foundation** currently operates with $115 million in assets and a staff of three. With a significant bequest from founder George Mitchell upon his passing in 2013, the foundation is now charged with ramping up its operations to prepare for an influx of assets, expected in full in 2018.

Says Katherine Lorenz, foundation president and Mitchell's granddaughter, "Ramping up is such an important transition shaping the life of the foundation. It's important to make sure each voice is heard, so that everyone has a say and there is a clear avenue for having influence. It's really about collective ownership—it's no one person's foundation."

B. ADMINISTRATION

Often the biggest changes required in a ramp up are in the areas of staffing, infrastructure, and procedures. With more resources to deploy and more assets to manage, many foundations find themselves needing a more professionalized and institutional structure. Unfortunately, the challenges of expansion are typically compounded by the lack of capacity and the time it takes to build it. Hiring staff, finding new offices, and installing new technology, for example, must sometimes be accomplished in parallel with business as usual.

Key considerations include:

New staff positions—Decisions about which new positions to create and who to hire will be based, in part, on the staff already in place. For some foundations, a ramp up means building staff from the ground up; for others, expanding an existing team. As part of your strategic planning, consider the roles needed to execute the plan—visionary leaders, effective managers, knowledgeable program staff, detail-orientated administrators—and whether to fulfill these needs with staff or to outsource. You must also consider intangible factors such as getting the right cultural fit and, particularly for an executive director, finding someone who can lead the foundation in this stage of its life cycle. For many existing foundation CEOs or executive directors, their first hires tend to be highly effective administrators who put strong systems in place. (See Exponent Philanthropy's primer "Hiring Great Staff.")

Bringing staff along—As the team grows and structures change, hiring managers must be thoughtful about how they communicate with staff, who they involve in planning, and on what topics. Planning processes can be especially challenging for new staff brimming with ideas, who may need to slow down to keep pace with board discussions. Board and/or donor expectations may also need to be managed around the time to properly on-board new staff.

Consultants—Outside consultants can provide discrete services to cope with the foundation's increased staffing needs, either in the short term during the transition or for the long term to augment staff capacity. Consultants can also be helpful in guiding the board and staff through a strategic planning process. (See Exponent Philanthropy's primer "Working with Consultants.")

Managing financials—Whereas informal or simple budgets may have sufficed previously, larger teams, greater expenses, and expanded grantmaking all require careful budgeting for effective foundation management. Ramping up also offers an opportunity to document, clarify, and revisit financial procedures and controls. More complex financials may require dedicated staff or outsourced assistance from accountants.

Operating procedures—Establishing and documenting operating procedures and systems are important steps during a foundation ramp up as the workload increases and staff are hired. Founders can sometimes resist this move to a more formalized, institutional model, but shared agreement on how the foundation will operate helps reduce ambiguity as board and staff roles shift. This is a good time to build institutional memory by creating a handbook of foundation policies and operating procedures (e.g., grants management, record retention, staff and trustee roles, budgeting, whistleblower).

Technology—Often a larger foundation requires a corresponding uptick in technology. The foundation's growing complexity may require new accounting software, a more robust and versatile grantmaking system (even integrated with accounting), a new or updated website with public information about the foundation's direction (including things like new grant guidelines), reliable options for connecting remotely and storing information, and higher capacity hardware. Also, a foundation with more staff might want to consider technology planning (for how and when software and hardware will be updated) and policies that address the way technology is used (e.g., privacy policies, social media policies).

Space planning—A ramp up may lead a foundation to lease its first offices or move to larger quarters. A new physical home can ease the stresses associated with a growing staff (after the task of finding that space is completed). Choosing a location that reflects the foundation's future can help build its presence in the community by providing a place to convene grantees, meet and potentially collaborate with other funders, or host workshops to discuss issue areas. As assets increase, a foundation may want to consider buying its office space rather than leasing, as the purchase counts toward the 5% payout requirement.

Record retention—Record retention can be overlooked easily when faced with so many pressing decisions. As the foundation ramps up its reach and presence—and is potentially under more scrutiny—it is important to review policies and procedures for retaining documents related to grants, governance, and finances. If there is not already one in place, develop a written record retention policy to summarize procedures for storing, organizing, purging, archiving, and protecting foundation documents and fulfilling public reporting requirements. Documenting these procedures helps your foundation keep good records over time—letting you reap the benefits of compact, organized, and secure files. (See Exponent Philanthropy's primer "Keeping Good Records.")

FUNDER STORIES: ADMINISTRATION

In 2013, to amplify the impact of its grantmaking and build its capacity to manage the endowment jump that will take place when its founder passes, **the John Gogian Family Foundation** tripled its grants distribution to 20% of assets. As part of this initial ramp up, the foundation relocated to its own office, apart from the family business, and hired two part-time staff to augment its existing staff of one full-time executive director, Lindsey Stammerjohn. According to Stammerjohn, "A new office and additional staff helped to professionalize the foundation. It moved us from a mom and pop into a new business model where the foundation had to stand on its own—rent, phones, security, and so on."

The Yawkey Foundation grew from $32 million to $386 million after the Boston Red Sox baseball team was sold in 2002. James Healey came on staff as vice president of programs and administration that year and immediately focused on getting the office up to speed. "The first person I hired was an accountant, and, on his heels, an all-purpose office administrator. We developed internal procedures, developed the website, expanded the office space, and created internal controls. I wanted to set it up so that, if someone new came in, he or she could pull out a book and know what to do. We were very careful about establishing and following good procedures."

C. GRANTMAKING

The grantmaking opportunities made possible by a ramp up are at the heart of the undertaking. The array of possibilities is exciting, but it also can be daunting to think about giving away multiples of previous years' grants budgets, or launching a foundation with significant expenditure requirements.

Consider intended impact as a base for building grantmaking strategies. One option is to simply give larger gifts to current grantees, although it is important to consider the effect on grantees, particularly if it could jeopardize their public charity status and "tip" them into private foundation status. For many foundations, the opportunity involves an expansion of scope and ambition.

Key considerations include:

Shifting focus and strategy—Growth may mean the foundation moves toward a more strategic set of focus areas. This can be an opportunity to take a fresh look at community needs and go on a listening and learning tour. Armed with this information and aware of what is possible with amplified budgets, the foundation may develop entirely new funding areas on top of—or in place of—historical grantmaking relationships.

The opportunity to “go beyond grantmaking” and serve a leadership role in the foundation’s focus areas—convening grantees or other funders, providing technical assistance, advocating for the sector, or making game-changing investments—may become possible with new resources, more human capital, and more prominent positioning in the community and/or funding field.

A major shift in focus means it will be important to develop a responsible exit strategy for any reliant organizations and share thoughtful communications with stakeholders to let them know about upcoming changes.

Impact and evaluation—Once a foundation has refined its approach to change and developed a clear statement of desired impact, it can consider engaging in a thoughtful evaluation process. Bigger grantmaking budgets do not magically mean more impact. But they do raise the bar on understanding the foundation’s impact, and they provide an opportunity to dedicate resources to putting into place evaluation frameworks, assessment tools, and better systems for tracking and managing information.

Expanding the grantee pool—Increased grantmaking resources will likely mean the opportunity and challenge of expanding the number of grants and grantees. Some foundations cast the net widely in their initial expansion mode through open application processes or requests for proposals, but it is important to be mindful of the risk of raising outside expectations of ongoing, broad support. For those foundations that only support grantees they know well, it will take time to develop new relationships. Peer funders may be a great resource.

Managing payout requirements—Suddenly dealing with a multiple of your previous payout requirement can be overwhelming. In addition to anticipating this jump by accumulating a credit toward your payout requirement prior to the ramp up, a foundation can smooth out the growth curve through a number of strategies, including making major legacy gifts at the outset, prepaying multiyear commitments, and setting up a donor advised fund. One foundation that suddenly grew five-fold in assets reports one of its best investments to be a custom interactive financial model to help the foundation develop and manage its grants budget, and to allow it to smoothly get to a 5% steady-state payout. Some foundations find that this is a time to make significant legacy gifts in honor of a passing donor, which also can help to smooth the growth arc.

Pace of change—Experienced professionals recommend you “build up your grantmaking muscles over time” and view the ramp up as a process. It may be hard to give significant funds responsibly before you have a solid strategy or the staff and systems in place to manage and monitor the process.

Grantmaking procedures and systems—An increased workload associated with expanded numbers of grants, new grantees, and more focused strategies is inevitable. Look at your grantmaking procedures early on, invest in systems to handle the increased workload, and uncover ways to streamline your application processes and reporting. To inform your decision-making, survey existing grantees to get feedback on your current application and reporting processes. Take the time to document grantmaking procedures and seek to reduce the amount of paperwork per grant. This is often a time when foundations move to more efficient online systems.

FUNDER STORIES: GRANTMAKING

While **GHR Foundation** first began to ramp up in advance of its founders' passing, it remained centered on the founders' philanthropic interests. CEO and Chair Amy Rauenhorst Goldman has focused on professionalizing her family's foundation – including governance, operations, grantmaking, and evaluation. Amy says, "For our founders, a successful grant was one that demonstrated impact and made them happy. Now we take evaluation more seriously, allocate resources to it, and link it to a knowledge platform."

Says Executive Director Lindsey Stammerjohn of **the John Gogian Family Foundation's** ramp up in annual grantmaking from $500,000 to $1.6 million, which involved additional program areas and larger grants, "Processes had to be streamlined to meet demand. We were swimming in paperwork. A new letter of intent, grant application, and grant report enabled staff to be more efficient and effective."

D. INVESTMENTS

Determining the foundation's investment strategy is a key fiduciary responsibility. Whereas some foundations are lucky enough to benefit from trustees with investment experience, most rely on outside guidance, including a strong investment committee and professional advisors. An influx of resources will always necessitate a fresh look at the foundation's investment policy and asset allocations. The investment committee will likely need to meet frequently as it vets professional advisors and oversees investment strategy. This is a good time to take a step back and consider the foundation's approach to investing, the board's stance regarding perpetuity, and considerations of financial as well as social return through impact investing.

Key considerations include:

Investment policy—Revisit key decisions the board made when it developed its investment policy statement, such as mission, time horizon, and tolerance for risk. During a ramp up, the foundation may need to have greater liquidity to deal with increased and uneven cash flow. This may require tweaking the investment strategies as the foundation works toward implementing the new investment policy.

Investment committee composition—Setting up the investment committee for success starts with putting the right mix of people on the committee. The committee will better serve the foundation if it includes some members with deep and seasoned investment expertise. Some foundations populate their investment committees with a few non-board members to strengthen the investment expertise, making sure those members are committed to supporting the foundation's mission. Although it is not unusual for the donor to serve as an "investment committee of one," especially if he or she has a professional career in finance, it is important during a ramp up to institutionalize this oversight in a committee that can operate beyond the life of a single donor.

Investment consultants—As the foundation's assets grow materially in a ramp up, it is wise to consider undertaking a thorough review of the foundation's investment policy statement, asset/liability matching, and asset allocation. The potential for further diversification of assets and increased complexity of the foundation's investment portfolio may warrant first-time use or expanded use of outside experts. Outsourcing some investment responsibilities to consultants is common and especially helpful for foundations working with multiple managers or considering a shift in strategy.

Investment consultants typically help with asset allocation and rebalancing, performance attribution and measurement, and manager selection and monitoring. Similar to considering diversity in the investment portfolio, it is important to consider diversity in financial managers to benefit from different perspectives and areas of expertise. Investment consultants can assist with this process. Among foundations, the outsourced chief investment officer (OCIO) model is increasingly prevalent, giving the consultant greater responsibilities and decision-making authority.

Spending policy—In the early stages of a ramp up, it is helpful to create a spending policy that evens out payout and reduces uncertainty. Multiple scenarios may need to be considered, depending on the speed of growth, and financial modeling can help to create long-term projections and flag areas for particular consideration. For example, current grantees may not be of a size to handle significant gifts, but donor advised funds may provide a solution to even out payout.

Impact investing—Impact investing (often called mission investing or socially responsible investing) describes the intentional deployment of capital to generate positive financial and social returns. Impact investments include investments across all asset classes and along the entire spectrum of risk and return, from program-related investments (PRIs) to market-rate investments that yield competitive rates of return. A ramp up is an ideal time to consider putting more of the foundation's resources to work toward its mission through impact investing.

FUNDER STORY: INVESTMENTS

New Belgium Family Foundation, knowing its 5% distribution requirement will jump from $300,000 to more than $2 million in 2018, is incrementally increasing annual grant distributions each year. According to Executive Director Lucy Cantwell, "An interesting effect is that we're basically spending down the initial corpus, which has a large effect on how it's invested. We've committed the entirety of our corpus to impact investing, and the large liquidity requirements of this increased grantmaking dictate what impact investments our advisors can recommend to us."

E. TAX AND LEGAL

Tax and legal are critical areas that require a high level of expertise. When experiencing a ramp up, it may be necessary to engage a number of different professional advisors. It is helpful to have specialized advisors based on varying needs, particularly as the foundation grows in size and exposure.

Key considerations include:

Advisors—Foundations that have been through a ramp up stress the importance of having top-notch tax and legal advisors to help smooth the bumps in the road and to avoid possible pitfalls. When seeking advisors, look for those who have experience with private foundations and the credibility to guide trustees.

Audit committee—As the foundation increases in assets, it is a good time to set up an audit committee, if one does not exist already. This is particularly important if the foundation's assets grow to over $50 million and is recommended with assets of $25 million or more. In some states, certain charities over a particular size, including foundations, are required to have an audit, and, in some cases, a particular type of audit committee.

IRS notifications—As changes occur during the ramp up, keep track of those requiring IRS notification. Changes to the foundation's bylaws, amendments to a foundation's articles of incorporation or declaration of trust, and adoption of a new fiscal calendar all require the foundation to send new documents to the IRS. In addition, if the foundation engages in new forms of grantmaking, such as expenditure responsibility grants, those grants may also need to be reported to the IRS.

Long-term tax implications—To help guide the foundation's financial decisions, work with a professional to understand the long-term tax implications of immediate actions. This will help inform investment decisions and strategic planning.

Insurance—All private foundations should consider general liability and directors and officers (D&O) liability insurance. Because a foundation's visibility and related exposure can increase with its assets and activities, a ramp up is a good time to review insurance coverage and purchase or update policies. Two additional types of insurance to consider are employee dishonesty insurance and cyber insurance to protect the foundation's assets.

FUNDER STORY: TAX AND LEGAL

The Klarman Family Foundation has been growing every year since inception and has become a major grantmaker in the Greater Boston area. Even with a budget of over $30 million, the staff is relatively small and relies heavily on advisors. Executive Director Kim McCabe notes, "If you're small in staff and growing, getting the right advisors is crucial. With increased size and the development of more strategic forms of grantmaking, there is greater exposure. You want advisors who really know foundations. But they also have to understand and be able to work with your culture."

IV. Conclusion

Ramping up giving and operations as the result of a significant increase in assets is a momentous transition point in a foundation's life. Because this is such an amazing opportunity for a foundation to increase its effectiveness, the value of taking a thoughtful approach to the transition cannot be understated.

Through this primer, we have reviewed key considerations and components of a thoughtful approach to ramping up. Although the many moving pieces may seem complicated and daunting, if all engaged in the process are grounded in a clear vision for change, the work will be significantly more focused, fulfilling, and effective.

V. Resources

Exponent Philanthropy
www.exponentphilanthropy.org

- **10-Minute Impact Assessment** A simple tool that provides a framework for discussing impact; helps identify areas of strength and opportunities for increasing impact; and gives tips and resources to strengthen specific areas in the journey toward greater impact.
- **The Foundation Guidebook** A comprehensive resource providing the baseline information to operate your foundation smoothly and effectively.
- **Getting To Impact Through Evaluation** A primer with guidance on using simple evaluation to increase your foundation's impact.
- **Getting to Impact Through Planning** A primer on how to use planning as a fundamental step in getting to impact.
- **Grantee and Application Perception Survey** A straightforward tool designed to help you learn efficiently from your grantees or applicants.
- **Hiring Great Staff** A primer that reviews issues to weigh at each stage of the hiring process.
- **Practical Board Self-Assessment** A practical resource designed to be comprehensive, flexible, and easy to use.
- **The Trustee Handbook** A comprehensive resource for every trustee and board member providing detailed guidance on small-staffed foundation governance, grantmaking, tax and legal issues, and financial oversight and investments.
- **Working With Consultants** A primer that describes a step-by-step process for hiring a consultant, plus offers tips for managing the relationship.

The Philanthropic Initiative
www.tpi.org

- **A 5-Step Guide for Creating an Expression of Donor Intent** A detailed guide for documenting your intent and reflecting on the vision and purpose of your giving. It is useful for all those considering their own legacy or interpreting the legacy that has been passed to them.
- **Giving Together: Primer and Workbook for Family Philanthropy** A guide for answering the questions that are common to family giving experiences.
- **Making a Difference: Evaluating Your Philanthropy** A primer with simple, pragmatic approaches to evaluation.
- **Navigating the Territory: A Donor's Guide to Impact Investing** This basic guide will help you navigate the territory, develop your goals, and find partners and resources that can help you take action.
- **Strategic Philanthropy: A Primer on Roles and Strategies** A primer with suggestions for moving from check writing to high-impact philanthropy, with examples of donor efforts to move toward more strategic giving.

Additional Resources

Essentials of Impact Investing: A Guide for Small-Staffed Foundations By Arabella Advisors, Exponent Philanthropy, and Mission Investors Exchange, this actionable guide to impact investing includes definitions, key questions to consider, resources, and case examples from small-staffed foundations across asset classes and issue areas.
www.exponentphilanthropy.org/impact-investing

Appendix

Checklist for Ramping Up Your Foundation

Planning for the Ramp Up

- ❑ Have you taken a fresh look at your vision, mission, and goals, and assessed what they imply in the areas of governance, administration, grantmaking, investments, and tax and legal?
- ❑ Have you clarified donor legacy goals?
- ❑ Have you talked to other foundations that have gone through a ramp up to learn from their experiences?
- ❑ Have you engaged stakeholders within your foundation and your community to inform them about the process and seek their input?
- ❑ Do you have a team in place, including specialized staff and advisors needed for this point in time, to plan and execute the ramp up?
- ❑ Have you documented your plan for ramping up?
- ❑ Have you considered best practices in change management to ensure smooth and successful transitions?

During the Ramp Up

Governance

- ❑ Is the board thoughtfully engaged in the ramp up and adequately prepared?
- ❑ Would the board benefit from new members with relevant experience and expertise?
- ❑ Have you developed a plan to prepare and educate current and new trustees?
- ❑ Have you assessed the foundation's staffing needs at the executive level?
- ❑ Have you reviewed the bylaws and other governance documents?
- ❑ Have you recently reviewed the foundation's policies and procedures?

Administration

- ❑ Is your infrastructure right-sized for the increased assets and activity?
- ❑ Have you hired enough appropriate staff to correspond with the foundation's new day-to-day operations and grantmaking strategies?
- ❑ Are staff engaged in and kept informed of the ramp up?
- ❑ Have you considered how and/or whether to use consultants to augment staff capacity?
- ❑ Does the foundation have adequate space and technology to operate effectively?
- ❑ Have you reviewed policies and procedures around managing financials, general operations, and record retention?

Grantmaking

- ❑ Have you reconsidered the foundation's grantmaking focus areas and strategies, and imagined what more might be possible?
- ❑ Do you have a plan in place for better understanding the foundation's impact through evaluation?
- ❑ Do you have goals and strategies in place to expand your grantee pool?

- ❑ Do you have a plan for managing increased payout requirements?
- ❑ Are your current grantmaking procedures and systems adequate?
- ❑ Have you communicated new guidelines, revised procedures, and/or a new grantmaking focus with current grantees?

Investments

- ❑ Have you reassessed your investment goals and strategies?
- ❑ Does your investment committee and/or advisor(s) have the right mix of experience and expertise?
- ❑ Do your investment and spending policies reflect the foundation's current financial situation and goals?
- ❑ How will impact investing factor into your investment and spending policies?

Tax & Legal

- ❑ Do you have trusted tax and legal advisors with experience and expertise for your needs?
- ❑ Do you have an audit committee in place?
- ❑ Have you filed any revised forms or other necessary documents with the IRS?
- ❑ Do you understand the long-term tax implications of current decisions?
- ❑ Do you have policies for and appropriate levels of general liability, directors and officers liability, employee dishonesty, and cyber insurance?

About Exponent Philanthropy

Exponent Philanthropy is the country's largest association of funders and the only one dedicated to serving foundations with few or no staff, philanthropic families, and individual donors. Our vibrant network has in common lean operations and a style of philanthropy motivated by personal passion, community needs, and the strong desire for better outcomes. We provide high-quality and cost-effective programs, resources, and connections that maximize our members' dollars and time for the benefit of diverse communities and causes. www.exponentphilanthropy.org

About The Philanthropic Initiative

The Philanthropic Initiative (TPI) is a nonprofit philanthropic consulting practice at The Boston Foundation that helps companies, foundations, families, and individuals find innovative ways to maximize the impact of their giving. Working around the globe, we partner with clients to create, implement, and evaluate customized philanthropic strategies. We are committed to helping clients utilize all of their resources (financial, intellectual, human, and social) for social change. TPI is also committed to actively promoting and advancing strategic philanthropy. We conduct cutting-edge research and train individuals, organizations, and advisors in best practices. Our promotional work informs our advising work—to the benefit of our clients and the global philanthropic community. www.tpi.org

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exponent philanthropy

The Philanthropic Initiative

Act boldly. Give wisely.