

Principles Of Trust-Based Philanthropy

	Unrestricted, Multi-Year Funding	Do the Homework	Partner in a Spirit of Service	Transparent & Responsive Communication
RATIONALE	Unrestricted funding over time is essential for creating healthy, adaptive, effective organizations.	The onus and responsibility of due diligence should be on the grantmaker, not the grantseeker.	Entering into grantee relationships from a place of humility and listening enhances mutual learning and enables funders to respond more directly to grantee needs.	Open, honest, and transparent communication minimizes power imbalances and helps move the work forward.
PRACTICES & CONSIDERATIONS	<ul style="list-style-type: none"> Trust that nonprofits know best how to spend grant money Make commitments for more than one-year 	<ul style="list-style-type: none"> Approach your work with the understanding that it's your job to get to know prospective grantees Establish clear internal criteria for the types of organizations you want to support Use available public records to understand a prospective grantee's purpose, strategies, programs, leadership, and financial standing Ask around your networks for shared connections 	<ul style="list-style-type: none"> Listen with respect, curiosity, and empathy Ask "How can we be of service to you?" rather than "How are you worthy of our support?" Ask probing questions and indicate an openness to a range of answers Remember that you are not doing grantees a favor by meeting with them or taking their call 	<ul style="list-style-type: none"> Be clear up front about what you do and don't fund Invite grantees to share their challenges Be open and honest about your own organizational struggles, questions, and thought processes Let potential applicants know if meeting is not a good use of their time Respond to emails and calls in a timely manner Make contact info public
BENEFITS	<ul style="list-style-type: none"> Supports the stability of grantee organizations and reduces stress on EDs Encourages risk taking, creativity, and emergent action instead of sticking to proposal outcomes that may quickly become outdated Supports grantees' long-term planning 	<ul style="list-style-type: none"> Funders are more likely to identify grantees that are aligned with their mission and values Saves unnecessary paperwork and back-and-forth in early vetting stages Paves the way for a more trusting and rewarding relationship with grantees Leaves prospective grantees more time to focus on their work 	<ul style="list-style-type: none"> Establishes more authentic, honest relationships with grantees Creates a culture of collaboration and democracy Allows foundation staff to learn instead of feeling that they "should" know all the answers 	<ul style="list-style-type: none"> Creates conditions for a more honest funder-grantee relationship Acknowledges power dynamics with the intention of creating a more balanced relationship Fosters a better understanding of grantees, their work, and their challenges Offers insight that can help funders be more effective in supporting grantees
SKEPTIC'S CORNER	<p>If all your funding is tied up in multi-year commitments, how do you remain open to supporting promising new organizations and initiatives? You can take a both/and approach rather than either/or. Experiment with a portfolio that combines both multi-year commitments and targeted, annual grants. Spending more than the minimum 5% payout rate greatly increases your ability to do so.</p>	<p>How do you ensure that you aren't just funding those who you have "chemistry" with? Establishing clear, defined criteria at the outset can help guide mission-aligned decision-making. It is also important to make sure your vetting processes include diverse perspectives—among your referral sources as well as the staff who are doing the research—to allow for greater exposure to groups you may not come across otherwise.</p>	<p>What's wrong with a funder articulating a clear strategy and putting out RFPs to find the best organizations to implement it? Too often, foundations apply a top-down approach to strategy that exacerbates rather than mitigates power imbalances. This isn't to say foundations shouldn't develop strategies, but that they should begin their strategic thinking from a place of humility and deep listening to those who are working closest to the problems they are trying to address.</p>	<p>What if you learn something about a grantee that makes you want to rethink your support for them? If it is a serious concern, you will be in a better position to talk with them about it, explore solutions, and ultimately decide whether you can continue to work together or not. It is more productive to approach the conversation proactively, rather than reactively.</p>

Principles Of Trust-Based Philanthropy (cont.)

	Solicit & Act on Feedback	Simplify & Streamline Paperwork	Support Beyond the Check
RATIONALE	Grantees provide valuable perspective that can help inform a funder's support and services.	Minimizing proposal and report requirements frees up nonprofits to concentrate on their mission.	Responsive, adaptive non-monetary support can help foster healthier organizations by bolstering leadership and capacity.
PRACTICES & CONSIDERATIONS	<ul style="list-style-type: none"> • Anonymously survey grantees—or find ways to ask them conversationally—about your practices as a funder • Before making major changes or updates, glean grantee feedback to inform those changes • Always inform grantees on how their input was used to inform your decision(s) 	<ul style="list-style-type: none"> • Accept proposals and reports written for other funders • Use a screening process (such as a short LOI) that can help determine whether funding is likely before inviting a full proposal • Compensate grantees for their time preparing a proposal • Take a primarily conversational approach to learning about grantees' work 	<ul style="list-style-type: none"> • Introduce grantees to other funders and like-minded organizations • Highlight grantees' work • Provide spaces for reflection, learning, and connection • Build and nurture peer learning networks • Serve as a sounding board or provide counsel to grantee partners, as requested • Host restorative retreats geared toward inspiration and renewal
BENEFITS	<ul style="list-style-type: none"> • Offers insight that can help funders better serve grantees • Encourages mutual trust and authenticity • Improves funder practices and policies, with the potential to provide learning for the field of philanthropy 	<ul style="list-style-type: none"> • Less time spent on paperwork, and more time for genuine learning and conversation with grantees • Allows for deeper, more interactive relationships with grantees 	<ul style="list-style-type: none"> • Helps build the capacity and strength of leaders and organizations over time • Fosters a deeper sense of connection to grantees and their work • Creates opportunities to learn more about grantees' work and organizational context
SKEPTIC'S CORNER	<p>How can we respond to feedback when most grantees don't fully understand the context of what we're dealing with as funders and foundations leaders? Soliciting and acting on feedback does not mean you have to satisfy every suggestion you get. The goal is to listen to your grantees, trust that they know their experience better than you do, and listen for general themes that can improve your interactions with grantees overall.</p>	<p>How do you ensure accountability – and measure impact – with limited paperwork? By understanding a grantee's self-defined measures of success, and engaging in dialogue about how these measures are evolving over time, this principle inherently creates opportunities for learning and improvement for both organizations. When discussions around impact are housed within a relationship based on learning, this inherently builds greater accountability on both sides. Regarding financial accountability, trust-based funders make time to review publicly available 990s and annual reports as part of "Doing the Homework".</p>	<p>How do you find the time to provide this kind of support? In trust-based philanthropy, the role of the program officer or director is conceptualized as a learning role, so providing this type of support part and parcel of a trust-based framework. If your institution is able to embrace other principles of trust-based philanthropy—especially unrestricted funding and simplified paperwork—it will free up more time to offer support beyond the check.</p>