

PRINCIPLES OF TRUST-BASED PHILANTHROPY

1) Do the Homework

It is the funder's responsibility to get to know the prospective grantees, not the other way around. This is just one more reason NCF talks about the importance of building relationships in your community. Doing the homework helps build trust as the FAC is proactively seeking information about the organization's purpose and mission, as opposed to sitting back and waiting for the organization to come to you.

Strive to foster relationships not only among individual members of your FAC and people who serve as leaders in other organizations, but also among your entire FAC and the organization's overall leadership. Check in frequently with your partners and community leaders. FAC members should know the long-term goals of these partners and understand the issues they are trying to solve. They should also have a good understanding of how organizations in the community work together or help them figure out ways to work together in the future.

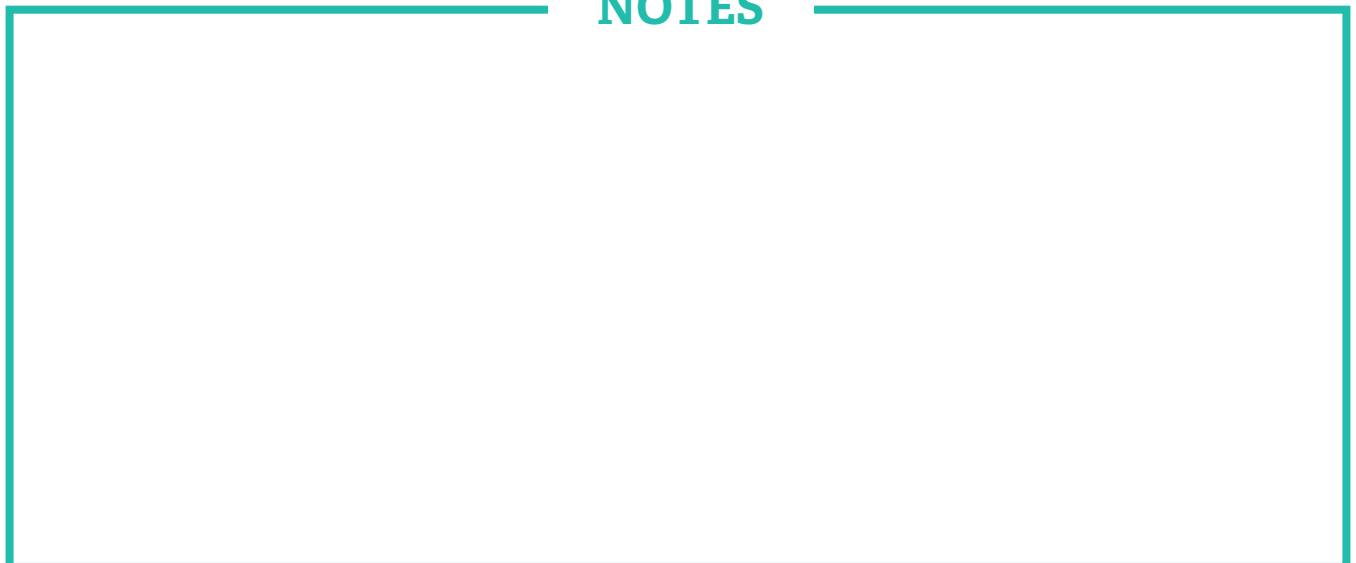
2) Simplify and Streamline the Application Process

Complicated grant applications and reporting can cause an organization to take time away from the valuable work that they do . . . not to mention, favors those with experience in application writing, not necessarily the project or program with the most potential for positive impact.

NCF encourages FACs to proactively grant to organizations because they are having regular conversations within their community and know what is needed. Ideally, an idea is developed and the FAC works with the grantee to develop the terms of the grant. A streamlined, simple grant application can be created together or provided to an organization applying for the grant. Details are important, but make sure you actually use the information you request from a grantee.

Lastly, consider removing grant deadlines. Most of the time, these deadlines won't align with when the grant is needed.

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3) Be Transparent and Responsive

Open, honest, and transparent communication minimizes distrust between a funder and grantee. Be upfront about what you do and don't fund. Explain the IRS restrictions on grants from an NCF affiliated fund or review your vision, mission, values and goals and share where you have decided to focus your grantmaking. If your FAC decides to shift focus to a specific area (that is different from how you have previously granted), make sure to give past grant recipients a heads up on the change. Being upfront and honest is sure to help nurture relationships down the road. Continue to have conversations with grantees about their challenges, be as responsive to community needs as possible, and continually work to build trust with community partners and grantees.

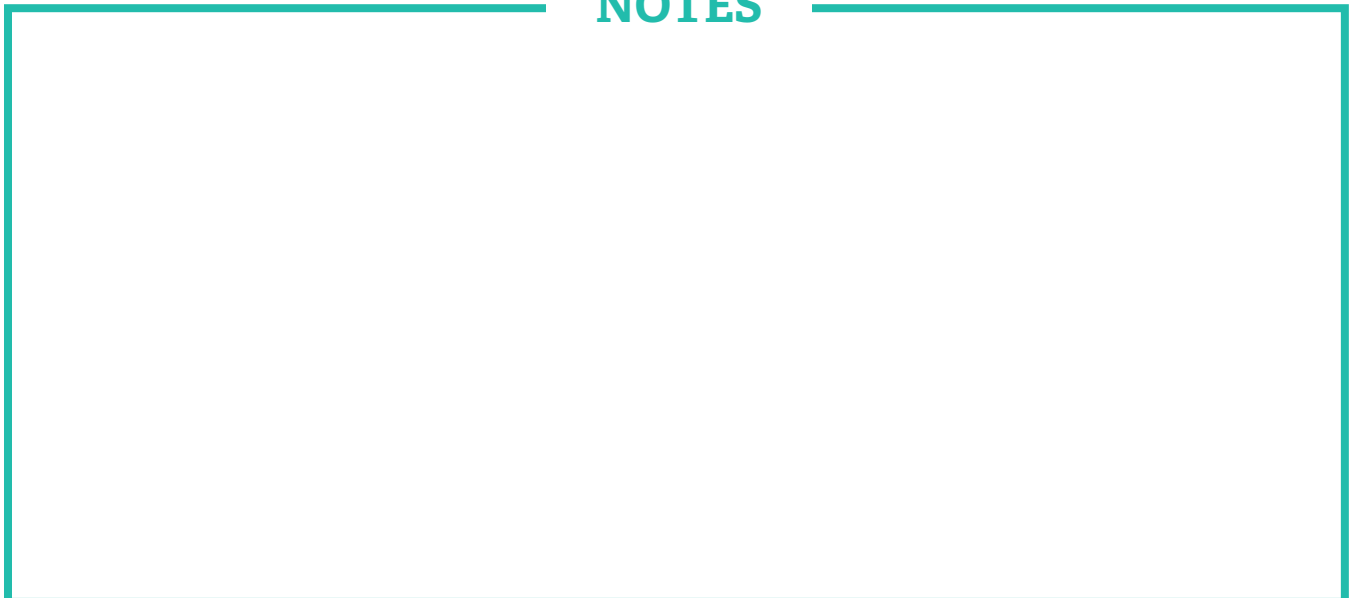
4) Provide Multi-Year Unrestricted Funding

Multi-year support, especially for larger grants, takes the fundraising stress off a grantee allowing them to focus on the work they do. Otherwise, they are spending valuable time worrying whether or not the program can continue in year two due to lack of funding. Importantly, it puts power in the hands of those that know the issue, project or program best—the grantee! Pledging multi-year support also demonstrates your trust in the organization and confidence in its ability to succeed. Unrestricted funding over time is essential for creating healthy, adaptive and effective organizations.

5) Offer Support Beyond Writing the Check

Non-monetary support, collaboration and leadership all create healthier organizations. Because FAC members come from many different backgrounds, engage with various groups of people, and are constantly having conversations in the community, you can help connect people and organizations with like interests. In small communities, these partnerships are sometimes obvious, but even in small towns, groups can operate in silos. The FAC can help break down these barriers and bring people together. The FAC can also serve as a safe sounding board for grantees who just need to talk through some ideas. Remember to be objective and not judge whether a grantee's ideas will be successful or not. Instead engage in the conversation to help them be successful.

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6) Solicit and Act on Feedback

Evaluation of the FAC's granting practices and procedures will only make for a stronger organization. Ask grantees what went well in the granting process and what can be improved in the future. Remember to ask the grantee or partner about how the FAC's involvement was received. Make sure to listen to partners and make adjustments that will improve your ability to be successful in your community. If you decide to take one of their suggestions, let them know what changes you are making so they know that you are listening.

7) Skip the Formal Report and Have a Conversation Instead

Evaluations of grants or grant reports should be simple and straightforward. NCF encourages you to ask grantees to capture stories and anecdotes about those who benefited from the grant. Certainly, you want to know if a grant was successful, but it is also important to ask what the recipient learned for future work. Hopefully the FAC can be involved in the conversation of how to make grants even more impactful in the future. This process also builds trust because it allows the FAC opportunities to learn even more about the mission and work of a grantee.



DISCUSSION

- What about this trust-based process is different than how you are currently talking with grantees?
- Are you ready to give up some of the control in the granting process?
- How does this transparency and discussion with grantees make you feel?

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SOURCE: *Trust-Based Philanthropy Principles* provided by The Whitman Institute, San Francisco, CA