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## LETTER FROM THE PRESIDENT

It is getting on for mid-summer and we expect that many PFC members are taking a well-deserved break this month. As is our usual summer practice, PFC staff will also take a break in August so this newsletter will not appear again before September. For this reason it is slightly longer than usual. But it is full of useful information, so read on!

While it may be summer, there is much activity going on to prepare for a busy fall. One major project is our member survey. The ongoing uncertainties of the economy, and the likelihood of a difficult fall as many charities begin to exhaust their resources and start to scramble for 2010 budgets, will have many foundation boards reconsidering their strategies. To provide timely information, we have distributed to the PFC membership our third survey of investment and spending strategies and decisions. The deadline is July 24, but we can receive completed surveys after that date (ideally not beyond August 1). We know timeliness is important so we plan to have a full report for you by September. Please send us your thoughts, the more the better, to share with your colleagues.

We are also very busy and increasingly excited as we get ready for the PFC fall conference at the end of October. We will be adding the names of our many workshop speakers and presenters to the conference site shortly. If you have not already registered, take a moment to look over the program and make your plans for a trip to Calgary!

Later in this letter, you will see references to a number of important announcements and guides from Canada Revenue Agency. CRA is making a significant effort to provide information and tools that will help charities/foundations, especially small and unstaffed organizations, with their compliance requirements. I draw your attention in particular to the new Fundraising Policy which is a major clarification of federal regulation of fundraising activities.

I hope that the summer months give you all an opportunity to renew your energies! All best wishes for a good summer break from all of us at PFC.

A handwritten signature in blue ink that reads 'Hilary Pearson'.

Hilary Pearson  
[hpearson@pfc.ca](mailto:hpearson@pfc.ca)



## MEMBER FOCUS

*From time to time, we publish snapshots of PFC members. This month we feature the Cole Foundation of Montreal in the following story prepared by Barry Cole, current Chair of the Foundation. We welcome submissions from any PFC member for future newsletters!*

### **The Cole Foundation: Transition and Transformation from Generation to Generation**

The Cole Foundation was created in 1980 by my uncle J. (Jack) N. Cole, an investment banker at Wood Gundy. The catalyst for its creation was the death of his only child Penny from leukemia in the late 1960s. As Penny had been a medical student at McGill University when she died, and as she had been treated at the Montreal Children's Hospital, these two institutions became the main beneficiaries of the Foundation. The Penny Cole Laboratory at the Children's, established shortly after Penny's death, was annually financed, usually for equipment purchases, and a Chair was endowed at McGill in pediatric oncology/hematology. A large variety of community organizations also received funds from the Cole Foundation.

My uncle died in 2004 and I was appointed President and Chairman in the summer of 2007, having been on the board since 1999. My previous career had been in the non-profit sector managing performing arts events, mostly classical music, as well as working for the Canada Council. So I had written many grant requests to governments, corporations and foundations and had adjudicated them. I was well equipped to manage a Foundation. But I had only a layman's knowledge of pediatric leukemia research... in other words, no technical knowledge to allow me to make critical decisions regarding funding.

With the opportunity created by close to a 400% increase in the Foundation's assets due to various legacies, change began on a number of fronts. A medical advisory committee was struck to advise us on program design. The Board reviewed the original mission and re-affirmed that we would continue to focus our efforts on research and child care in the field of pediatric leukemia, but concentrate our programs within the city of Montreal. The Board was expanded to 8 members with backgrounds in philanthropy, law, commerce, and pediatric medical research. We also added another member of the Cole family. The Board now would meet quarterly, not yearly, and committees for investments and donations were struck.

The medical advisory committee recommended that funding be directed to a Fellowship program for young researchers working in established medical labs in Montreal. This led to a \$1 million grant and 21 new fellowships in pediatric leukemia research. The Cole Foundation then hosted a think-tank meeting with the full board and 8 of the most senior research officials in the hospitals and universities of Montreal. We discussed the future of the Cole Foundation and its involvement in the pediatric leukemia research field. Through the discussion, we recognized that there was much room for additional funds in this area and that we could expand our horizons to include adolescent and young adult leukemia and the related diseases of lymphomas. We decided that we would work towards making Montreal a centre of excellence in research and childcare, nationally and even internationally.



# e-newsletter

Our goal, which we are starting to achieve, was to break down the barriers and have the universities participate in a combined thrust to combat a major childhood disease. This group of researchers has formed the Montreal Inter-University Pediatric Leukemia Research Working Group, to which the Cole Foundation has committed a further \$2 million for 4 new projects over 4 years in addition to the ongoing Fellowship program.

On the community side, we decided to focus mainly on one area: integration of immigrants into Montreal society. We designed, in consultation with the professional theatre community of Montreal, a program of support for the commissioning, production and translation of plays that showed intercultural dialogue as a way of introducing Montrealers to the social and cultural dynamic that the immigrant communities bring to Montreal. Twenty three applications were juried and 11 grants awarded for theatrical productions in the 2009-10 and 2010-11 seasons.

In summary, The Cole Foundation has transformed itself in the second generation to become a forward thinking organization. We have repositioned the Foundation to the medical, social, and cultural realities of 2009 as we find them. We have respected the philosophy and principles that motivated my uncle when he established the Foundation in 1980, almost 30 years ago. We are doing some things quite differently, just as I believe he would expect us to do. And we are being responsive to the dynamics of an ever-changing world.

For more information on the Cole Foundation contact [Barry Cole](#).

## GRANTMAKERS ROUNDUP

### On the Downturn in Assets

Grant makers' endowments in the United States plunged by 26 percent in 2008. This confirmation of the major reduction in foundation asset values comes from an annual survey of foundation endowments by the Commonfund Institute. This is a sharply different picture than in 2007, when endowments grew by 9.9 percent. The only asset class reporting positive returns in 2008 was fixed income.

The **2009 Commonfund Benchmarks Study of Foundations** was based on data from 221 private foundations and 69 community foundations. The Commonfund Institute is the research arm of Commonfund, which manages nonprofit endowments. Last year's study surveyed foundations that held assets of at least \$50-million, but this year, because so many suffered losses that pushed them below that cutoff, the minimum was \$10-million.

PFC hopes to have updated information for its members on what is happening to Canadian foundation investment values when we have analyzed the results of our latest member-only survey now in the field. If you are a member and have not yet responded, the survey is still open. Please contribute your data to benefit your colleagues as well as yourself!



## On Foundation Communications

*Communicating for Impact: Strategies for Grantmakers* is the latest free guide from GrantCraft. Quoting from Grantcraft's description: "Communications" used to be seen as synonymous with "publicity." Increasingly, however, funders are thinking of communications as a fully integrated part of grantmaking strategy. Communications can help grantees and programs connect effectively with clients, decisionmakers, donors, peers, the press, and other stakeholders. And that means greater impact.

Foundation communications goes far beyond an annual report or the occasional press release about grantees. And it's no longer the exclusive domain of big foundations, communications staff, or consultants. Integrating communications is critical to advancing programmatic goals. To use a communications lens is to ask: What do we want to achieve? Who needs to be onboard if we're going to achieve it? And how best do we reach them? Those questions can help funders and grantees connect with audiences, broaden the base of participation on an issue, and link program design with outcomes."

## On Women's Philanthropy

Foundation giving specifically targeted to benefit women and girls has surpassed the rate of overall foundation giving in recent years, and women's funds are a rapidly growing and influential force within philanthropy, according to a new US report jointly released by the Foundation Center and the Women's Funding Network.

The report, *Accelerating Change for Women and Girls: The Role of Women's Funds*, found that between 1990 and 2006, giving directed to women and girls by the broader foundation community climbed 223%, after adjusting for inflation, compared to an overall giving increase of 177%. Giving by the 55 women's funds analyzed in the report also rose an inflation-adjusted 24% between 2004 and 2006, while foundation giving overall increased only 14.8% in the same period. "This study underscores that investments in women and girls can have big social returns. It suggests that women and women's funds will be increasingly involved in reshaping philanthropy and bringing to the fore important issues like human trafficking and domestic violence that for far too long have been neglected."

## INTERESTING READING

### More on Evaluation: Help for Foundation Trustees

The question of how to know, how to measure and how to share impact is an even more critical one for foundations in times of asset scarcity. Foundation boards in particular are asking tough questions these days about what matters in their giving and why.

In 2007, before the current crisis, FSG-Social Impact Advisors, the American nonprofit consulting firm led by Mark Kramer, had undertaken a year-long study of how foundations were already changing the way they used evaluation. Their report *From Insight To Action* (released in April 2007) suggested that foundations are moving beyond traditional third-party outcome studies toward more performance-centered approaches that provide actionable insights.



FSG highlighted examples of evaluation efforts from more than two dozen foundations of all sizes, each of which involved an effort to gather knowledge in order to improve decision-making and shape future behavior.

In 2009, FSG has continued to build on its earlier work, releasing a very useful multi-part set of resources for foundation trustees around evaluation: the **Trustee Evaluation Toolkit**. In the words of FSG, “Trustees care deeply about impact. Understanding results is part of their fiduciary duty. As foundations strive to improve performance, advance accountability and share knowledge, their desire for evaluation – reliable data on organizational effectiveness – grows. Based on discussions with trustees, we’ve heard that current evaluation approaches don’t always generate useful information. In too many cases, foundation evaluation practices don’t align with trustee needs...”

FSG Social Impact Advisors, with funding from the James Irvine Foundation, interviewed dozens of foundation trustees, CEOs and evaluation experts to uncover critical issues and exciting ideas related to evaluation. This “toolkit” shares highlights from these interviews, and explores new approaches.” The Toolkit has been published on the web in sections so you can download the interview highlights, or case studies, or a self-assessment tool or a facilitator’s guide to a board discussion of evaluation or a planning guide.

## PFC FAMILY NEWS AND EVENTS



**REGISTRATION IS NOW OPEN** for the PFC 2009 conference, **The Pulse of Philanthropy**, October 28-30, 2009, Calgary. Visit the **conference web site** for details on the conference program, designed specially for foundation grantmakers. New features at our conference this year: site visits, 10th anniversary reception & dinner with live entertainment and some special Olympic guests!

**NOW AVAILABLE!** The 2008 PFC Annual Report, *Building Solid Foundations*.

### Mark your Calendars, Upcoming Member Events:

- **September 9**, 90-minute telephone forum for PFC Members only (1:00-2:30 ET). *Responding to the Downturn: What are Foundations Doing?* Second PFC member conference call exclusively for foundation leaders. Moderated by Peter Warrian, Past PFC Chair. Discuss the findings of PFC’s 3rd survey in its series, *Managing your Investments and Grants in Turbulent Times*.
- **September 15**, phone/Internet session, *International Grantmaking, Easier than you Think*, 1:00-2:30pm EST.
- **September 22**, *Responding to the Downturn: What are Foundations Doing?* A face to face opportunity exclusively for PFC member foundation leaders. Moderated by Robert Alain, EJLB Foundation. This session will be bilingual, in Montréal.



- **September 23, Paul Waldie**, journalist from the Globe & Mail and author of the series *Giving Back* will speak at a breakfast with members in Toronto at the Ontario Trillium Foundation. Click [here](#) to register.

**New on the PFC web site in the Members' Area:** Notes from the Grantcraft workshop, Roles@Work, June 10, 2009, Toronto.

For the past 18 months, Charles Pascal, Executive Director of the **Atkinson Charitable Foundation**, has been taking a sabbatical from the Foundation to be an Early Learning Advisor to the Premier of Ontario. In that capacity, Charles traveled the province to tap into the best knowledge and experience of parents, experts, providers and advocates, many of whom have been valued partners of the Atkinson Foundation, which holds early learning and care to be central to its vision for progress. Charles's study culminated in his Report to the Premier of Ontario, *With Our Best Future In Mind*. The Foundation has posted the report, comments and feedback on the report on its [web site](#). The Foundation notes that it looks forward to continuing to work with its partners towards universal early learning and care for all children and families in Ontario.

## OTHER NEWS AND EVENTS

### Not-for-Profit Corporations Act is Now Law

Bill C-4, the *Canada Not-for-Profit Corporations Act*, has received Royal Assent. The federal government states that the act will enable nonprofit organizations to incorporate faster and improve their financial accountability, clarify the roles and responsibilities of directors and officers, and enhance the protection of members' rights. PFC will issue a member advisory in the fall on the implications for federally-incorporated foundations, and the steps that they will be required to take to retain their status.

### CRA Fundraising Guidelines

As the federal regulator for charities, the CRA has developed guidance on fundraising to support registered charities to comply with reporting requirements related to fundraising, and encourage them to self-assess their fundraising activities.

The [new guidance on fundraising](#) describes the treatment of fundraising under the *Income Tax Act*, explains how to distinguish between fundraising and other expenditures, and clarifies how to classify and report activities intended both to raise funds and advance charitable programming. The guidance also explains when fundraising activities may preclude registration or may result in revocation of registration.



## CRA Policy on Activities Outside of Canada

*Consultation on the Proposed Guidance on Activities Outside of Canada for Canadian Registered Charities.* The Charities Directorate would like your opinion about whether the proposed guidance covers all relevant issues, how easy it is to understand and apply, and any other aspects of the proposed guidance. All comments received by September 30, 2009 will be considered. Send all comments to: [consultation-policy-politique@cra-arc.gc.ca](mailto:consultation-policy-politique@cra-arc.gc.ca).

## Guidance for Charity Managers

In an effort to help charities understand and meet their requirements and obligations under the *Income Tax Act*, the CRA Charities Directorate has assembled a page of key resources for directors, officers and volunteers. These resources will help individuals within the charity who manage day to day operations, familiarize themselves with important information required to maintain their charitable registration. For the new toolbox for directors, officers, and volunteers, click [here](#).

## Circle on Aboriginal Grant-Making in Canada National Benchmarking Survey

The Circle on Aboriginal Grant-Making in Canada (CAGC) has a goal to connect with and empower First Nations, Inuit and Métis nations, communities and individuals in building a stronger, healthier future. It will serve as an open network to promote philanthropy (giving, sharing and social investing). The affinity group, that traces its origins in part to the PFC Conference in Montreal, is currently undertaking a bench-mark survey of non-governmental philanthropic activities in aboriginal communities in Canada. Whether or not your foundation is currently active in this sector, please take the time to answer 20 questions on aboriginal grant-making. The information you provide will be extremely helpful in focusing the activities of CAGC and its members. Click on the link below to complete your survey. All participants will have access to the results of the study.

<http://www.measuredoutcome.org/en/survey.cfm?sid=8>

Entry Code: 3177

Plan to join the CAGC discussion group at lunch on Thursday at the PFC Calgary Conference.

On September 16 in Winnipeg, the **Winnipeg Foundation** and the University of Manitoba will be co-sponsoring a half-day symposium on Philanthropy and The Law, featuring a number of foundation trustees and leaders such as Ed Waitzer, Tim Brodhead, and Bob Wyatt, among other speakers. For more information and a copy of the symposium program, click [here](#).

## COMMENTS AND FEEDBACK

To subscribe or unsubscribe to this newsletter, or to send comments, send an email to **Liza Goulet**, Director, Research and Member Services.