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LETTER FROM THE PRESIDENT

As I write this in mid-October, we are reaching the final stretch in our Calgary conference preparations. We are expecting over 200 participants to gather in the next couple of weeks at the Westin in downtown Calgary. And I feel quite certain that the themes and ideas that we will be discussing are at the heart of current philanthropic experience and practice in Canada and in North America. We will be learning about how Canadian foundations are tackling big issues in new ways: innovative approaches to community development through sport, to the integration of new urban migrants, to protection of water and forest resources in Canada and many other topics. I look forward to discussions about collaboration, about accountability, about investing for mission, about becoming more effective and about stepping back for reflection. It should be a terrific two days! We will be reporting back on the conference through a written summary as well as posting many of the presentations online. Stay tuned to the [PFC web site](#).

Some of the conference themes and topics are picked up in this newsletter as well. One such theme is information sharing... for what by whom and to whom? I heard a thoughtful discussion on this topic earlier in the year in Los Angeles at the conference of the Center for Effective Philanthropy. During a panel discussion, William McCalpin, an American philanthropic consultant, talked about the information available to the public on the web sites of the largest foundations in the U.S. Many, he said, were willing to post their financial statements and their list of grants. But most still do not share much information about the results of their work or their assessments of impact. (His views and findings are noted later in the newsletter).

Another participant in the panel, Sean Stannard-Stockton of [Tactical Philanthropy Advisors](#), put it bluntly: "knowledge sharing, there's a subject for a hearty debate! How far can we push the envelope? How much can we learn? To what degree can we figure out how to harness the accumulated knowledge of institutional foundations and combine it with the massive capital flows provided by individual donors to revolutionize philanthropy in the 21st century? This is about impact, not accountability."

With this in mind, I look forward to the sharing of information and ideas among Canadian foundations gathering in Calgary, and to the long-term impact of this sharing as we build more effective and informed foundation practice in Canada.

A handwritten signature in black ink that reads "Hilary Pearson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hilary Pearson
hpearson@pfc.ca



GRANTMAKERS ROUNDUP

How Much Should Foundations Disclose?

There has been a tremendous growth in the display of information online by charitable foundations in the last five years. But the quality and quantity of information on these sites varies widely. There is no standard for web site content as yet, nor any government-mandated reporting requirement beyond the basics requested in the annual reporting form (T3010). Should foundations consider disclosing more? If so, what?

Earlier this year, William McCalpin, former executive vice-president of the Rockefeller Brothers Fund, surveyed the public web sites of the 50 largest American foundations, to determine the prevailing practices in terms of disclosure of information. All of the sites included a statement of the foundation's mission or at least of its current grantmaking priorities. Half of the foundation sites included the most recent copy of their annual reporting form (the 990PF, which is equivalent to our T3010). Half of the sites also featured the financial statements of the foundation (and auditor's report). Seven others include this information in their posted annual reports (in effect 64% publicize their financial statements). However, McCalpin found that only two foundations reported specifically on performance. More than 70% of the foundations published annual reports on their sites but the format varies greatly and not all annual reports provided "clear descriptions of achievement in the largest areas of grantmaking." While 24 of the 50 foundations offer a searchable database of past grants, only 13 of the 50 provide information about their evaluations.

McCalpin believes that a foundation that wants to present itself to the public as an accountable institution should include as a minimum on its site an audited financial statement; the 990PF; and a succinct annual statement of achievements in each main area of grantmaking. These disclosures focus on how the funds were used and what was accomplished. In his view, "in the years ahead, private foundations will probably come under pressure to be more accountable and open", particularly if the disclosure standards that apply to their grantees become more substantial. The debate about effectiveness and impact measurement among charities will surely spill over to apply to private foundations. Food for thought in Canada?

N.B.: As a matter of interest, the sites that McCalpin feels have the highest degree of openness are the sites of the Gates, Ford, Robert Wood Johnson, MacArthur, Gordon and Betty Moore and Hewlett Foundations.

Mission-Related Investing: Gathering Steam?

There is no doubt that the topic of investing foundation assets in support of mission has been much more popular since the recession began last year. In a significant move, the Bill and Melinda Gates Foundation has made a large commitment to this type of investing, announcing at the end of September that it has set aside \$400-million for loans, investments, and other financial vehicles to further its charitable efforts.



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According to The Chronicle of Philanthropy, “while other large grant makers like the Ford Foundation have made so-called program-related investments before, the move by Gates is significant since its \$400-million commitment could potentially dwarf that of all other philanthropies combined.” The Foundation has pointed out that a “Chinese Wall” still exists between the grant-making side of the organization and its investment team. Instead, the foundation is essentially borrowing from its endowment for its philanthropic mission, which includes fighting HIV/AIDS, improving U.S. education, and helping poor farmers in Africa. The pool of money will be used in a variety of ways, like providing loans to charities at below-market rates, making equity investments, and offering bond guarantees.” It will be interesting to watch the Gates Foundation’s impact on this front.

INTERESTING READING

Restructuring Charities: The Strategic Alliance

In difficult economic times, charities look for ways to develop more efficiencies and to apply their limited resources as productively as they can. Charity leaders may look to strategic alliances to become more effective. There are many possible options for such alliances, from simple sharing of facilities all the way to formal merger.

A new study commissioned by Big Brothers Big Sisters of Canada (and funded in part by the Muttart Foundation of Alberta) sheds some light on what the literature says about the success and challenges of such strategic alliances. *Local Business Structures Within a Federated Model*, a study by **Strategic Leverage Partners Inc.** features a very useful Review of the Literature that summarizes recent studies of nonprofit strategic restructuring, whether for efficiency or for “scaling out” purposes. Worth a look at this for the definitions of various alliances, and their success factors.

Financial Stress and How to Beat it

The charitable sector still suffers from a chronic case of financial stress that inhibits its effectiveness. Philanthropy can be part of the problem but also a part of the solution.

So says Grantmakers for Effective Organizations in a recent publication *On The Money*, which identifies the areas where grantmakers are both improving the situation for nonprofits and also perpetuating the problems. The paper identifies five key financial problems and suggests some ways in which grantmakers can ease the financial burdens. It also includes some useful questions that grantmakers can ask of themselves and others as they try to implement these ideas. Examples: “Do your program grants cover the full costs of a program to the organization? If you are partially funding a program, do you know what the full program costs are? Are your foundation’s application and reporting requirements proportionate to the size of the grant? Have you tried to calculate the costs to grantees of working with you as a grantmaker (i.e. “net grant”)?”



PFC FAMILY NEWS AND EVENTS

The Pulse of Philanthropy, October 28-30, 2009, Calgary. Visit the [conference web site](#) following the conference to access conference materials and reports.

Mark your Calendars, Upcoming Member Events:

- **November 24, *Introduction to Evaluation*.** Last in our 2009 series of professional development sessions, this will be a phone/Internet session with Sheherazade Hirji, HirjiWhite Consulting.
- Lunch meeting with Montreal foundations, tentatively scheduled for early **November**. Keep checking our web site for details.

On October, 1, the **Maytree Foundation** held its annual half-day conference in Toronto. This year's theme was *Telling Stories: Creating Change*. Several presentations are freely posted on the Maytree site. See in particular the opening speech by John Cruikshank, publisher of the Toronto Star, about **Creating A Narrative For Social Change**.

The Mastercard Foundation based in Toronto focuses on global microfinance and youth education. It has an impressive new website that provides significantly more information on the Foundation's many activities and its plans for growth in the coming year.

The **Fondation J. Armand Bombardier** of Montreal has released its 2008-09 Annual Report. The 37-page report provides an overview of the Foundation's activities in support of education, community development, health and arts and culture. The report will be available to download from the web site soon.

Patrick Johnston of the **Walter and Duncan Gordon Foundation** was featured in the October 5 issue of Charity Village in their **Leadership in Focus series**. President and CEO of the Walter and Gordon Foundation from 2002 to 2009, Patrick recently left his post but remains aligned with the organization as a senior fellow focused on researching Canada's international development policies. In the interview, Patrick provides thoughtful insights from his 35-year career in the nonprofit sector about the challenges facing the sector and the changes that he sees in the foundation world.

Mackenzie Investments and the Mackenzie Charitable Giving Fund are keenly interested in promoting the practice of philanthropy among youth. Mackenzie has sponsored research into teen giving, which reveals that 93% of the approximately 3 million Canadian teens have been involved in a philanthropic activity and give an average \$293 a year of their own money. To draw even more attention to teen philanthropy, Mackenzie is sponsoring for the second year in a row a Canada's **Top Teen Philanthropist contest**. The goal of the contest is to profile extraordinary teens (13 to 19) who are making a significant contribution to their communities. The deadline for entries is early November and the winners will be announced in early December.



OTHER NEWS AND EVENTS

The **Winnipeg Foundation** and the **Faculty of Law at the University of Manitoba** held a symposium on Philanthropy and the Law on Sept 16 in Winnipeg. Presentations from that symposium are now posted on the **Winnipeg Foundation web site**. Tim Brodhead of The J.W. McConnell Foundation gave a keynote talk on *Not Letting a Crisis Go To Waste* that is worth a read!

Queen's University's Public Policy and the Third Sector Initiative is holding its **ninth annual forum** at the School of Policy Studies of Queen's University on November 20-21, 2009. This year's theme is "Assessing the Impact of Community and Voluntary Sector Activity -- How are we measuring up?" It deals with some of the challenges of going beyond measuring inputs, activities and outputs to assess impacts and outcomes. The forum will also focus on promising practices in the establishment of indicators, data collection and analysis, looking at three areas: poverty reduction, immigrant settlement services, and recreation, health and wellbeing.

GIV3 is a new initiative (and web site) to encourage more giving by Canadians. Started by John Hallward, and the Hallmont Foundation of Montreal, Giv3 promotes the idea of giving 3% of annual income and volunteering 3 hours a month to charitable causes. John Hallward was inspired by his grandparents to be philanthropic in his own life. He tells this story about the special club his grandparents created for their 24 grandchildren, called Club 21:

"When each of us turned 21, a letter arrived, with a cheque for \$500. However, this was not for us. The money was to be given to five separate charities. My grandmother wrote a few pages explaining the rules, reminding us of less fortunate people in the world, and pointing out our charitable responsibility as part of the next generation. She informed us that it was our obligation to help those along the road of life who needed our help. We were each instructed to choose five charities, and to give each \$100 from the \$500 cheque. We then had to write to our grandparents explaining which charities we chose, and why. Once this task was completed, we were allowed into Club 21 where we received another \$500 cheque to spend on ourselves. This was our birthday present, with strings attached.

Perhaps you have young children, nieces or nephews, or grandchildren for which you can do a similar thing. Do you have other charitable tips, stories, mentors, or examples to share? Let us have them, and we would be happy to share them."

In early October, Community Foundations of Canada released **Canada's Vital Signs 2009**. Vital Signs is an annual project conducted by community foundations across Canada that measures the vitality of communities in at least ten key areas critical to quality of life. Sixteen local vital signs reports were also released. Vital Signs is based on a project of the Toronto Community Foundation and is coordinated nationally by Community Foundations of Canada. The J.W. McConnell Family Foundation provided critical support for the national expansion of the Vital Signs program.