

Philanthropy Today

COUNCIL on FOUNDATIONS

Wednesday, September 20, 2006 • Volume 1, Issue 4

The Visionaries of Silicon Valley

Yesterday, we ran the first part of a two-part series on the historic merger between two community foundations in California. Today, in Part Two, we look at the three visionaries leading the merger.

Members of the board of directors for the recently formed Silicon Valley Community Foundation were elected from the boards of merging foundations: Peninsula Community Foundation and Community Foundation Silicon Valley. The new foundation's board convened formally to select a new president and chief executive officer.

On August 2, 2006, they announced the appointment of Emmett Carson, the current CEO and president of The Minneapolis Foundation. The next day, both staffs were brought together to meet Carson.

A highly regarded leader in the philanthropic world, Carson is well known for innovation and success. *NonProfit Times* has repeatedly named Emmett Carson to its annual list of the Top 50 most influential nonprofit leaders in the nation. Since his arrival in Minneapolis, that foundation's assets have more than tripled from \$186 million to well over \$600 million.

According to Carson, this is a historic moment for the community foundation field: The creation of a regional foundation that accommodates local needs. It's a merger of two very successful and innovative community foundations that was deliberately pushed by their respective boards who believed they could serve their communities better together than apart.



Peter Hero, Vera Bennett and Emmett Carson

"I have the opportunity to work with two strong staffs to build a new organization, one that unites the strengths of both. Local communities are stronger together than separate," said Carson, who is also the immediate past chair of the Council on Foundations.

A Challenge Like No Other

Carson says he's always loved a challenge, but admits he has his work cut out for him. "Nothing like this has ever been tried on this scale before. We will have to build the new organization's infrastructure, as well as help shape its culture. In essence, we will be creating an organization from scratch."

Continued on page 6

Join the Conversation

The Council on Foundations and its 2007 Annual Conference partner, Philanthropy Northwest, have launched a year-long conversation surrounding philanthropy and discovering philanthropic challenges and opportunities. Be part of a "live" and continuing conversation about some "big tent issues" that affect and connect our communities: Combatting Poverty; Ensuring the Public's Health; Stewarding the Environment; and Bracing for and Responding to Disaster Hazards.

A SCREENING *The Ultimate Gift*

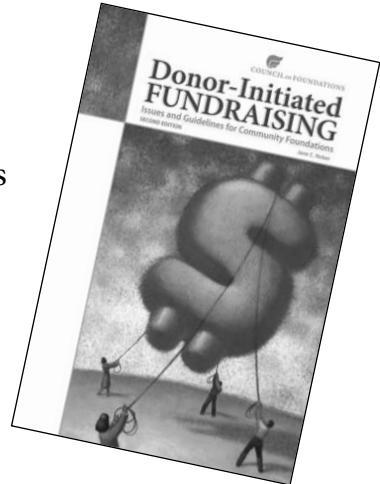
Great movies don't end as the credits roll. They go on to inspire, motivate and demand further action beyond the theater walls. *The Ultimate Gift* is one of those movies. Millions of people around the world were moved by the novel, *The Ultimate Gift*, and millions more will be moved by the movie, which continues to deliver the important message: in the end, life lived to its fullest is its own ultimate gift. The screening of the movie, starring James Garner, Brian Dennehy and Lee Meriwether, will take place this morning,

Wednesday, September 20
8:00–9:30 a.m.

Donor-Initiated Fundraising Issues and Guidelines for Community Foundations, Second Edition

Jane C. Nober

What problems arise when donors do their own fundraising? This updated reference guide will help you understand the legal fundraising activities including liability concerns and compliance with state and federal contribution rules. New materials on the Pension Protection Act of 2006 are included.



TODAY'S SCHEDULE— **Wednesday, September 20, 2006**

Hours of Operations and Location

Registration Desk Hours

7:00 a.m.–12:00 noon

Exhibitor & Cyber Café Hours

8:00 a.m.–12:00 noon

Note: FSG is now called FSG Social Impact Advisors.
Visit their website www.fsg-impact.org

Book Store Hours

7:00 a.m.–12:00 noon

Meet the Author

2:00 p.m. Paul Grogan, *The Good City*
COF Bookstore in Resource Central

The Shuttle Schedule from Westin Waterfront to the Hynes Center

6:30 a.m.–3:00 p.m.

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KERRY HEALEY
LIEUTENANT GOVERNOR

September 2006

Dear Friends:

On behalf of the Commonwealth of Massachusetts, I extend warm greetings as you gather for the 2006 Fall Conference for Community Foundations. It is my pleasure to welcome you to Boston.

This unique event provides a wonderful opportunity to participate in workshops, share information and exchange ideas with colleagues and experts. This year's theme, "Revolutionary Ideas," exemplifies the importance of exploring new methods while focusing on future challenges and opportunities. I am confident that all of you will leave the Bay State with renewed energy and a sense of hope.

I want to applaud your dedication and your commitment to public service. You are to be commended for your tireless efforts to improve the world around us. I hope you enjoy your visit and have an opportunity to experience the rich history and natural beauty found in our great state. Best wishes for an enjoyable and successful conference.

Sincerely,

A handwritten signature in black ink that reads "Mitt Romney".

Mitt Romney

A Burning Desire for Social Justice

Diana Sieger's self-admitted "burning desire for social justice" led her to spend her entire career in the nonprofit sector and eventually take the helm of the Grand Rapids Community Foundation.

Since joining the foundation as president in 1987, Sieger has seen a great deal of change—particularly in how the organization perceives itself.

"When I first came on board, the foundation looked more like a financial institution than a community leader. We needed to change that perception, both internally and with our audiences," Sieger explains. "People with wealth—donors and potential donors—tended to know about us. But much of the community were either unaware of or knew very little about us."

The year Sieger joined the foundation, she got the board and staff to start looking at what the foundation was then and what it could be in the future. "We determined that we wanted and needed to be a community leader," Sieger says.

One issue demanding attention at the time, child abuse and neglect, helped get the Grand Rapids board accustomed to the new leadership role.

"In 1987, the Grand Rapids Community Foundation was celebrating its 75th anniversary of doing good works. As part of that celebration, we wanted to do something with long-lasting impact that would elevate the foundation in the public's eyes," according to Sieger.

"We held a community forum, called Perspective 21, to plan for the year 2000 and drew more than 200 attendees. We asked them what key issues we needed to address. Overwhelmingly people agreed we needed to help children at risk in the county because of instances of horrific abuse.

"We followed up with a survey to address the rising rate of child abuse in Kent County. Then, for the next nine months, 35 volunteers met once a week to study the issue and come up with recommendations.

"The process led to 16 recommendations that we shared with local and state officials. It led us to develop a close working relationship and to help bring about

changes in state and local policy on how to address abuse and neglect. We're still working together on this issue."

Today, though, the foundation is focusing on healthy development of children and how to create a senior-friendly community. Over the years, the board has been very supportive of the positive impact the foundation has had. That impact has broadened public awareness of the foundation and encouraged people of every means to donate to the foundation and put faith in its donor-advised funds. "We help donors make choices that have a good impact," Sieger said.



Over the years, Grand Rapids Community Foundation has stepped up to take the lead on a number of issues, from issuing a statement on environmental funding and providing subsequent funding to cleaning up the nearby Grand River.

In recent years, the foundation has worked with two other local foundations to address the state of public education in Grand Rapids.

"We joined together in an initiative that is not about bashing public schools, but about putting supports in place to calm the chaos of family life. One of the things we've done is to bring together all county departments and nonprofits that serve children and families and have them provide coordinated, comprehensive services at a number of elementary schools.

"It's a sea-change in the way we deliver such services and we've designed it to make it as easy as possible to access resources they need. We've also taken steps to ensure their complete privacy."

Sieger calls the 2005 landmark study, "On the Brink of New Promise: The Future of U.S. Community Foundations," one of the best things that has happened to the community foundation field in years. "It has enabled us to see ahead so we can cope with future issues. And it helps us view our role in a different way—and how we'll lead our communities into the future.

"We've always been leaders in our communities. The report reinforces that fact and tells us to elevate it much more strongly."

HARTFORD FOUNDATION FOR PUBLIC GIVING

Reading Takes Precedence in Connecticut's Capital

Being famous for something is often a good thing. But being known as the public school system with the lowest reading scores in Connecticut is one distinction the Hartford area could do without. And it's doing its best to lose that dubious title—with strong support from the Hartford Foundation for Public Giving.

The foundation recently joined with Hartford Public Schools to launch a pilot literacy project aimed at improving students' reading skills in five targeted schools. The program—Haskins Reading Initiative—is one part of the foundation's 20-year, \$25 million "Brighter Futures Initiative." The foundation has awarded an \$844,000 grant over three years to the reading initiative.

"We believe the role of a community foundation is to address the issues in their community. We are experts in bringing together people and resources to solve problems," explains Chris Hill, the foundation's vice president for programs and special projects. "Here in Hartford, we saw that one of our most significant issues was our kids' poor reading skills. As everyone knows, the ability to read is crucial to future success."

Tackling a Tough Problem

The majority of children who enter kindergarten and who appear to be at risk for reading failure *can* learn to read at "average or above" levels. However, to do that, they must be identified early and provided with systematic, explicit and intensive instruction in phonics, reading fluency, vocabulary and reading comprehension.

The Haskins Reading Initiative aims to improve reading among Hartford children in kindergarten, first and second grades patterned after a research-based model used successfully in schools in Connecticut and Rhode Island. Research shows that first-grade students attending those schools have shown significant improvement in reading. Haskins



Hartford Foundation for Public Giving

Laboratories (a private, non-profit research institute based in New Haven with a primary focus on speech, language and reading) is administering the reading initiative, which kicked off at the end of August.

Working with Teachers

National studies have shown that teachers in the early grades often are not fully prepared to teach reading. Therefore, the initiative will focus on providing enhanced, job-embedded professional development for teachers in five Hartford elementary schools.

Specifically, Haskins Laboratories will provide support and training through weekly in-classroom coaching and mentoring for teachers in 36 kindergarten through second grade classrooms. An additional 55 staff members will participate in a year-long professional development workshop. Approximately 875 children will be involved.

By the end of the program, the foundation expects to:

- Increase students test scores.
- Improve students performance on state and local reading assessments.
- Increase teachers understanding and ability to teach reading.

"We have high hopes for this new reading initiative. We've seen that it has worked in other communities and we expect that our support will bring about similar success," notes Short. "The Haskins reading initiative is an integral component of the larger Brighter Futures Initiative. What we ultimately hope to accomplish is twofold: to prepare and help Hartford's children in school through age eight; and to increase public schools' readiness of Hartford's children by supporting improvements in the systems that affect children, including health care, child care, education and family support."

Visionaries

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Carson knows that other community foundations will be watching. "We'll be serving as a model for other foundations of similar size and complexity."

So what are Carson's goals for his first 100 days on the job? "Any initial progress must be looked at in the context of perpetuity, so my goals are relatively modest. I plan to meet with the board and staff to understand their roles, responsibilities and aspirations and visit with community leaders to get a sense of the needs of the broader community. I'm going to spend the time listening to people and then create a plan and direction for moving forward," he said.

Building an organization from scratch means creating a new brand, integrating systems and infrastructure, developing the appropriate/correct reporting relationships and finding a new location for the foundation, among other issues. For example, currently the two foundations are headquartered in different locations and therefore maintain separate e-mail systems. "If I want to send an e-mail to all staff, we currently do not have a system in place to do so," Carson said. "So we not only have our strategic priorities to figure out, we have to create a brand new technological platform."

A nonprofit merger is very different from a corporate one, Carson said. "I cannot promise my staff more financial wealth. But I can offer them the opportunity to be a part of a new organization with a new mission. They are coming from two foundations that have a history of innovation and everyone is waiting to see what we'll do next. I can promise them it will be an exciting time," Carson said.

A Hero and a Visionary

As retirement approaches, executives want to know that they leave their organizations in good shape and in a position to continue to flourish. Peter Hero is no exception.

Hero is currently president of Community Foundation Silicon Valley, but will be stepping down when Emmett Carson takes over as CEO of the newly merged foundation.

For 18 years, Hero has served as CEO. When he joined Silicon Valley, the foundation had three staff and

\$7 million in assets. Today, he presides over 45 staff members and \$919 million in assets.

Hero believes the merger is a good thing for the Valley. "We have a great tradition of 'Let's try it out' in Silicon Valley; people are willing to try something they think might work, especially if the change results in a better outcome.

"We think it makes sense to cover a broader geographic area, so long as we don't lose a sense of community. As one organization, we'll be able to launch greater region-wide initiatives and make a bigger impact than two smaller ones chipping away at a problem. At the same time, the merger will make us more competitive with other donor-advised funds."

The Visionary From Peninsula

Vera Bennett laughingly says that she's probably the only person in the country or the world who loves her job and can't wait for it to change.

For the past nine months, Bennett has been juggling two demanding jobs—serving in her regular position as long-time chief financial officer for Peninsula Community Foundation and also as its interim CEO. For 16 years, she has kept the organization strong and stable and has been a pillar of strength for Peninsula's staff through this transition.

She's taken over the role of interim CEO during an unusually stressful time for the foundation as it makes plans to merge with neighboring Community Foundation Silicon Valley. Yet, despite the heavy demands of her dual position, Bennett still maintains that she has never had a day that she didn't look forward to going to work.

"Merging the two organizations will be more difficult than anyone might think. Just the integration of processes will be extremely complex and involve a lot of people, inside the organization and out," Bennett notes. "The integration of both organizations will probably take up to three years to complete. But we truly believe the merger will result in greater benefit to the community, and everyone has been incredibly supportive."

But as much as Bennett has enjoyed the excitement and intensity of these recent months, she'll be more than happy to hand over the CEO reins to Emmett Carson next month.

Join the Conversation—2007 Annual Conference

The Council on Foundations invites you to attend the 2007 Annual Conference, *Philanthropy and the Challenges of Our Time* on April 29–May 1, 2007 in Seattle. Co-sponsored with Philanthropy Northwest, the event will continue, culminate and celebrate a year-long, field-wide conversation designed to meet the challenges confronting our communities, regions and nations. The conference will focus on how philanthropy can play a potentially transformative role in four specific areas: poverty, public health, the environment and disaster preparedness and response.

Wearing his hat as committee chair for the 2007 annual conference, and speaking at the closing of this

year's annual conference, Ralph Smith said that to address those challenges, foundations must identify the "key philanthropic opportunities, forge effective cross-sector alliances and partnerships, build our capacity—talent, resources and knowledge—and move the conversation about diversity and inclusion from the margins to the mainstream."

Would you like to help shape the dialogue for the annual conference? Visit cof.org to see times, dates and venues and join in conversations we're taking on the road. And get ready to discuss philanthropic challenges, philanthropic opportunities and promising practices. Hope to see you.



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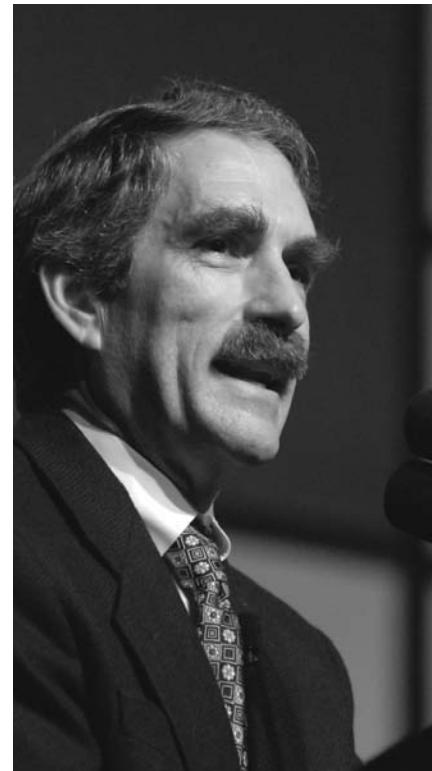
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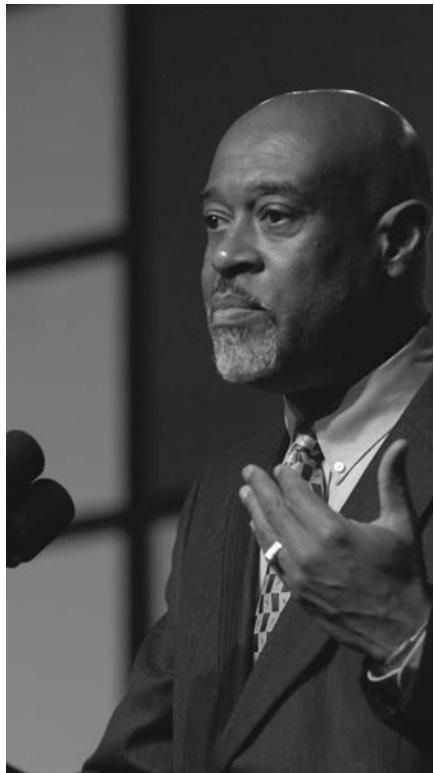
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Session Synopses: What You Might Have Missed

HR 4—Legislative and Regulatory Update

An overflow crowd learned about the charitable reform and incentive provisions included in the recently enacted Pension Protection Act of 2006 (HR 4) during the Legislative and Regulatory Update session on Monday afternoon. After Luis Maldonado, the Council's director of government relations and public policy, discussed how HR 4 came into being, Janne Gallagher, the Council's vice president and general counsel, outlined the charitable provisions in the bill of most interest to community foundations. These provisions include the IRA charitable rollover, a new definition and rules for donor-advised funds, and supporting organization reforms. Gallagher noted that the Council is seeking guidance and clarification from the Treasury Department on a number of provisions in the bill. The Council's legal and government relations teams are continuing to post new analyses and resources on the Council's HR 4 webpage, cof.org/hr4.

Both Gallagher and Maldonado urged attendees to travel to Washington, D.C. to meet with their members of Congress during Foundations on the Hill. "The more that members of Congress hear from their community foundation constituents, the stronger the Council's voice and influence will be on Capitol Hill," said Maldonado.

Raising the Bar for Philanthropy: Promoting National Standards

During Monday's 'Raising the Bar for Philanthropy' session, community foundations learned how to strategically use the National Standards Seal to signify their commitment to the community. Sherry Risk Stark and Mary Jalonick, who helped develop the National Standards and its promotional toolkit as members of the Standards Action Team, staged a mock press interview to demonstrate how community foundations can use the toolkit when communicating the value of National Standards and the Seal to the media.

For donors, the Seal is confirmation that their decision to give through the community foundation is a good one.

Grantees or grant seekers can be confident that grants are made fairly and professionally.

When professional advisors see the Seal, they may feel assured that the community foundation is qualified to consult on community needs and strategic philanthropy.

The Seal can also confirm for government officials that the community foundation is committed to leadership and self-regulation.

Grassroots Grantmaking: Putting Community in Community Foundations

This session focused on how community foundations can use grassroots grantmaking as a priority strategy for engaging and advancing *all* voices within a community and how this work positions a community foundation to be more effective in their community leadership role. The session featured initial findings from a retrospective evaluation of a Charles Stewart Mott Foundation national initiative that involved a diverse group of twenty-five U.S. community foundations. This initiative provided the incentive for these foundations to develop grantmaking programs to strengthen neighborhood groups and leaders. It also encourages them to step out of their conventional grantmaking roles and use their leadership position to open doors for grassroots groups and leaders, adding legitimacy to the "place at the table" for the resident-led groups as an under-represented constituency.



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Foundations on the Hill

February 27–28, 2007 • Washington, DC

For more information, visit www.foundationsonthehill.org.

 COUNCIL on FOUNDATIONS

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Introducing the Critical Impact Awards

If your foundation has supported an innovative or bold solution that has improved lives and communities locally, nationally and/or globally, we invite you to submit your nomination for our Critical Impact Award program. This new initiative recognizes and celebrates grantmakers for funding programs with demonstrated critical impact that other communities could replicate.

We are seeking nominations of programs that:

- Are funded by family, independent, operating, public or community foundations, or by international or corporate grantmakers (either individually or in collaboration with others).
- Have documented evidence of enduring positive impact on people, institutions or communities.

- Have established philanthropy as the innovators or architects of social change, providing real philanthropic leadership.

We especially encourage nominations that address the four issue areas that will be highlighted at the Council's 2007 conferences: poverty, public health, environment and disaster preparedness. In addition, special attention will be given to programs that show an unusual level of creativity, innovation, sustainability and risk-taking.

Nominations for community foundation programs must be received by **May 24, 2007**, and will be recognized at the Fall Conference for Community Foundations (to be held in San Francisco, September 17–19, 2007).

To learn more, and to submit a nomination, visit cof.org.

Call for Entries

Today, Boston.



October, Las Vegas.



No matter where you are, we'll be there.

After COF, you can see us in a different environment in Las Vegas at our very own MicroEdge Solutions Conference 2006. This year's agenda spans a wide range of key issues for COMMUNITY FOUNDATIONS, from industry trends and challenges, to the most detailed technical tips to improve your organization's functionality. Each session will provide you an opportunity to learn, contribute and advance your understanding of how to maximize your important work.



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Philanthropy in the News: An Analysis of Media Coverage 1990-2004

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