Unrestricted Funding

Ophelia Bitanga-Isreal  
Program Officer  
Hawai’i Community Foundation

Priscilla Enriquez  
Chief Strategy & Impact Officer  
Sacramento Region Community Foundation

Simon Delekta  
Sr. Program Officer  
New Hampshire Charitable Foundation

Erika Frank  
Community Investments Officer  
Hartford Foundation for Public Giving
Agenda

Setting the stage (5 min)

   What do you want to learn today?

Our Experience (25 min)

   Evolution in thinking (Sacramento)
   Moving internal stakeholders (New Hampshire)
   Learning as you go (Hawai’i)
   Evaluation (Hartford)

Questions, Discussion, and Takeaways (the rest!)
Best Practice

GEO:
• Is Grantmaking Getting Smarter? 2014
• Smarter Grantmaking Playbook, 2014
• Listen, Learn, Lead: Practices that Support Nonprofit Results, 2010
• Due Diligence Done Well, 2010
• Due Diligence Done Well: A Tool for Grantmakers, 2010

VOICES FROM THE FIELD:
• Vu Le, Nonprofit with Balls, Feb 2016 The Myth of Double Dipping and the Destructiveness of Restricted Funding.
• Benchmark Grantmaking Processes: Grantmaker Assessment Tool (developed by CEP and GMN)

Center for Effective Philanthropy
• FLUX
• Best Practices for Improving Grantmaking

Grants Managers Network:
• Project Streamline-Practices that Matter
• Grantmakers Assessment Tool
Sacramento Region
Community Foundation
Our Grantmaking Evolution

- REFRESHER ON FOUNDATION FLEXIBLE FUNDS:
  Being strategic and impactful
- LAY OF THE LAND:
  National grantmaking trends
- ANALYSIS
  Evolving the Immediate Need Grants (ING) program
  Inputs from our giving day bootcamps
- PROPOSED NEXT STEPS
  Making the case for capacity building and unrestricted grants
Our Grantmaking Evolution

Sources of Revenue for Foundation Flexible Funds

Source of Revenue

Flexible Funds Activities and Grantmaking

Family of Flexible Funds

Field of Interest Funds (30 funds)

Unrestricted Funds (1 fund: Community Impact Fund)

Pays For

Community Leadership

Strategic Initiatives

Immediate Need Grants

Discretionary Grants
Lay of the Land

Five Key National Grantmaking Trends

1) Less resources for nonprofits
2) Spike in unrestricted funding
3) Foundations growing roles as knowledge hubs
4) Tax reform
5) Philanthropy will step up and in

Analysis

Lessons from Grant Analysis and Giving Day Bootcamps

➢ Data tells us what we already know
➢ Over half of what was funded are consequences of **low capacity**
➢ Much of what was requested could be addressed **by increasing organizational capacities**
➢ With stronger capacity, opens **movement towards unrestricted funding** and away from unsustainable programmatic support
➢ Big Day Of Giving bootcamps have proven value of capacity building
A Focus on Capacity Building

Three Phases: Our Journey Towards Unrestricted Funding

I. Reset Immediate Need and Beta Capacity Building Micro Grants

II. Co-create Capacity Building Efforts with Grantees via Human Centered Design NPO Listening Sessions

III. Launch of Capacity Building Program
NEW HAMPSHIRE CHARITABLE FOUNDATION

$17K Project
Budget <$500K
27%

$15K Operating
73%

$25K Project
Budget >$500K
28%

$20 Operating
72%
New Hampshire Charitable Foundation

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<th>Requirement</th>
<th>$30,000 ($10,000/yr for 3 years)</th>
<th>$60,000 ($20,000/yr for 3 years)</th>
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<tr>
<td>Board approved strategic plan</td>
<td>NOT REQUIRED</td>
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<tr>
<td>Will certify willingness to complete one within first year of grant</td>
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<tr>
<td>Audit/Financial Review</td>
<td>NOT REQUIRED</td>
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<tr>
<td>Must submit their 990 or NHCT-2A (as submitted to Charitable Trusts)</td>
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<tr>
<td>100% board giving</td>
<td>REQUIRED</td>
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Hawaiʻi Community Foundation
FLEX Program
Looking at the tail lights

- Organization vs. programs/projects
- Operating budget thresholds
- Past performance as a predictor of future achievements
What are we asking for?
Where we are headed
• Budgets >$200,000 eligible for grants of up to $300,000 over three years.
• We have awarded $4.8 million since implementation in 2013.

• Budgets <$200,000 eligible for small agency grant program which offers grants of $10,000-$20,000 over two years.
• We have awarded $220,000 since implementation in 2016.
GOS Application Process

1. Grant inquiry: An initial screening to determine eligibility.


4. Site visit: Meetings and discussion with the applicant’s staff and board chair.

Eligibility:

- Current strategic plan with measurable objectives
- Strong, stable leadership
- Financial stability, no structural deficits
- Track record of outcomes and history with the Foundation
Thank You!

Ophelia Bitanga-Isreal
Obitanga-isreal@hcf-hawaii.org

Priscilla Enriquez
Priscilla@sacregcf.org

Simon Delekta
sd@nhcf.org
@simondelekta

Erika Frank
efrank@hfpg.org