



Starting A  
Lesbian, Gay,  
Bisexual,  
Transgender  
Community  
Foundation

A Resource Guide

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## About Funders For Lesbian And Gay Issues

Funders for Lesbian and Gay Issues was formed in 1982 as the Working Group on Funding Lesbian and Gay Issues in response to the lack of visibility and funding for lesbian, gay, bisexual, and transgender (LGBT) issues in the philanthropic community. They are the only national organization whose mission it is to advocate for increased support of LGBT issues within organized philanthropy.

Funders for Lesbian and Gay Issues is comprised of individual donors and grantmakers from private, public, family, corporate, and community foundations. An Affinity Group of the Council on Foundations, they are a valuable bridge between grantmakers and LGBT organizations.

Funders for Lesbian and Gay Issues works to increase philanthropic resources to lesbian, gay, bisexual, and transgender organizations, programs, and projects, by:

- ▶ increasing the philanthropic community's knowledge, understanding, and support of critical funding needs in LGBT communities;
- ▶ educating individuals and organizations about philanthropy and how to access philanthropic resources for LGBT issues;
- ▶ encouraging increased visible representation of LGBT people within the foundation community at the staff and trustee levels;

- ▶ supporting the development and capacity of LGBT-identified foundations and promoting the growth of this sector within the field of philanthropy.

In addition to educational programming and publications, Funders for Lesbian and Gay Issues has two specific programs designed to expand resources for LGBT organizations.

*The National Lesbian and Gay Community Funding Partnership* is a collaborative funding model whereby national funders partner with local community foundations to support community-based LGBT programs. Matching grants of up to \$100,000 over two years are offered to community foundations for LGBT grantmaking. Over the course of the Partnership, 13 national funders have contributed over \$4.5 million, which has been matched by over \$3.5 million in local funds. At the local level more than 160 foundations and corporations have contributed matching funds to this collaborative.

To date 38 community foundations throughout North America have received Partnership grants. At the local level, over 900 grants have been awarded since 1994 to a wide range of organizations and programs. Three-quarters of the eligible community foundation partners have established permanent grantmaking funds for LGBT issues at their foundations. This ensures ongoing philanthropic support of local LGBT issues in perpetuity.

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The second major program for Funders for Lesbian and Gay Issues is the network of LGBT Community Foundations. More information about this network is available at [www.lgbtgiving.org](http://www.lgbtgiving.org). Since 1993, Funders for Lesbian and Gay Issues has sponsored an annual conference for LGBT Community Foundations providing an opportunity for skill and capacity building and networking. In addition, Funders provides technical assistance, resources, and support for emerging and growing LGBT Community Foundations throughout North America. This guide is an important resource to help promote the expansion of the LGBT Community Foundation sector in philanthropy.

### **Acknowledgements**

Funders for Lesbian and Gay Issues thanks our members and funders whose support of our work has made publication of this guide possible.

We also thank all the many people who have shared their time, experience, and expertise to inform the content of the guide, particularly Kit Briem, Roger Doughty, Audrey Haberman, Bill Lippert, Ted Lord, Bob Morrison, Alan Pardini, Peter Teague, and Gregg White.

This guide was written by Paula Morris, DPM Consulting, and edited by Nancy Cunningham, Executive Director of Funders for Lesbian and Gay Issues.

## Introduction

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*“Friends and I have been donating to our local organizations for years, but most people I know don’t give at all to LGBT issues and don’t even know what organizations exist. We want to change that – get more people to step up as donors – but we don’t know where to start.”*

*“Our LGBT business association has been doing fundraisers for our community for years, but we want to do more. What’s the next step?”*

*“I’ve been a volunteer and donor in half a dozen local gay organizations, and none of them are getting support from any of our local foundations. That seems wrong to me and I want to change it and help. What do you suggest?”*

It is questions like these – and the challenges that we faced in framing our answers – that has motivated Funders for Lesbian and Gay Issues to develop this guide. The questions came to us from individuals or groups in communities across the U.S., people who are in the early stages of encouraging LGBT philanthropy in their community and creating a home for that philanthropy. This guide is designed particularly to be a resource for those relatively new to this field, so much of the information provided will be familiar if you are an experienced philanthropist, foundation professional, or non-profit manager. Nevertheless, we hope that all readers will benefit from the wisdom, advice, and experiences of others who have created LGBT Community Foundations.

### **What is an LGBT Community Foundation and why is this guide needed?**

An LGBT Community Foundation is an independent public foundation whose primary mission is to support organizations and programs serving the LGBT community.

### **What is different about setting up a foundation for the LGBT community?**

The answer is: in some ways *very little* and in others a *great deal*.

On one hand, the basic challenges of starting and running a public foundation are the same for LGBT people as for every other community and issue.

They operate under the same tax rules, the same 501(c)(3) regulations, the same expectations of donors and of the community, the same challenges of opening an office, building a board, honing messages, and cultivating donors. This guide introduces you to some of these issues to save you time in seeking out the information elsewhere and points you in some useful directions to learn more.

On the other hand, LGBT Community Foundations face a host of specific concerns and questions. How do they go about building a permanent resource in a community that is still relatively young? How do they effectively make grants to organizations that are underfunded and understaffed? How do they invest in the infrastructure they need without the kind of large bequest or gift that launches many foundations? How do they engage the full diversity of their

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community in one organization? How do they raise funds for LGBT issues that may be misunderstood even within their own community? How do they flourish in an environment that may be hostile to their very presence, let alone to investing in their community?

These are some of the unique challenges that LGBT people and their allies face as they engage in the work of creating a foundation and building skills as non-profit leaders, fundraisers, community convenors, and grantmakers. This guide previews some of these issues and shares the experiences of communities that have grappled with them.

A note about language: Each foundation sets its own definition of the community it represents and serves. These constituents include all or some of the following: lesbian, gay, bisexual, transgender, intersex, and Two-Spirit people, queer and questioning people, people living with HIV/AIDS, Men who have Sex with Men (MSMs), as well as straight allies. Although this guide uses LGBT as a shorthand, the intention is to encompass this broadest definition of people served by the work of these LGBT Community Foundations.

# **1** Section 1 Should You Start An LGBT Community Foundation?

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This section offers an overview of the need for LGBT funding and the role that LGBT Community Foundations can play. It places LGBT Community Foundations in the context of other foundations and funds, and provides a framework to decide between establishing an independent LGBT Community Foundation or establishing an LGBT-focused fund at a geographic-based community foundation.

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## Why Do We Need LGBT Community Foundations?

This guide is focused primarily on *how* to increase LGBT philanthropy, but it is also worth reviewing *why* LGBT people have given thousands of hours and millions of dollars to create funds dedicated exclusively to LGBT issues.

We need LGBT Community Foundations to challenge homophobia and address its impacts:

- ▶ because discrimination against LGBT people may be the last “acceptable” form of bigotry in America today. The full and equal participation of LGBT people in society remains hampered by persistent prejudice, lack of legal and civil equality, and the actions of a well-organized, politically powerful minority dedicated to enforcing inferior status on the LGBT population.
- ▶ because every aspect of LGBT life remains contested: acceptance within families, places of worship, and communities; the right to secure housing and jobs; the right to parenthood; and the legal right to the myriad benefits of marriage.
- ▶ because anti-gay stigma has consequences for the health and well-being of LGBT people that are visible and quantifiable.

LGBT people also need their own foundations to address the gap in funding:

- ▶ because among the 1,000 largest foundations in this country only 0.1% of the total grant dollars awarded in 2002 benefited LGBT organizations and projects;<sup>1</sup>
- ▶ because a study of LGBT donors found that they give at least 50% of their gifts to non-LGBT

organizations, but LGBT organizations do not see the same level of support from non-LGBT donors;<sup>11</sup>

- ▶ because organizations in Los Angeles, New York, Washington, and San Francisco represent two-thirds of the budget dollars of all LGBT organizations in the country.<sup>11</sup>

### **What can an LGBT Community Foundation offer the LGBT community?**

As the above examples show, the most obvious answer is money. For many community-based organizations, support from their local LGBT Community Foundation is the only foundation funding they can rely on. Even the smallest grants go a long way in organizations that are largely reliant on volunteer support.

#### ***But money is only part of the story.***

- ▶ As permanent institutions built by and for LGBT people, LGBT Community Foundations are a source of community stability, confidence, and pride.
- ▶ As symbols of our strength and our commitment to building a healthy, inclusive community, LGBT Community Foundations can convey a positive image of LGBT people to the broader society and bring attention to LGBT issues.
- ▶ LGBT Community Foundations’ programs and grants are informed by staff and volunteers who have an intimate understanding of the community’s history, culture, politics, and populations, and who have the courage to support cutting-edge issues and organizations that have few, if any, other sources of support.
- ▶ Small grants from LGBT Community Foundations



## Section 1

have provided seed funding and leveraged mainstream support for many organizations that have grown to play a lasting and powerful role.

- ▶ LGBT Community Foundations can become trusted as leaders to convene all sectors of the community to explore critical community problems and issues.
- ▶ LGBT Community Foundations are creating a culture of philanthropy within our community, attracting new donors to LGBT issues and enhancing the impact and focus of their giving.

Communities that are starting LGBT Community Foundations are in good company. There are a number of LGBT Community Foundations in North America. While some are very new, the oldest is approaching its 25th anniversary. Funders for Lesbian and Gay Issues has predominately worked with 15 of these foundations, which have generated a combined endowment of nearly \$9 million, have inspired hundreds of donors to make permanent bequests to their community, and have made thousands of grants to organizations addressing myriad needs, celebrating the arts, and advocating for civil rights.

They have also taken direct action to advance their shared vision of social justice. The examples in this guide demonstrate that, through creativity and courage, LGBT Community Foundations have had an impact well beyond the dollars raised and granted. Whether through high-profile, national activism and public education or through small-scale but ground-breaking local initiatives, these foundations are challenging ignorance and injustice, building bridges across communities and issues, and changing hearts and minds.

## What Is An LGBT Community Foundation And What Are The Alternatives?

If you are interested in increasing the funding given to LGBT issues and organizations, there are a number of routes to achieve that goal through organized philanthropy. This guide primarily addresses one of those routes: establishing an LGBT Community Foundation. To decide whether that is the best choice for your community, it is useful to begin with an overview of where LGBT Community Foundations fit in the world of institutional philanthropy.

### Private Foundations and Public Foundations

Foundations fall into two major categories: **private foundations**, of which there are over 60,000 in the U.S.; and **public foundations**, of which there are fewer than 1,000.<sup>iv</sup> While both have the same primary goal – making grants for charitable purposes – there are some significant differences between them.

**Private foundations** derive their income from a single source, such as a family, an individual or a corporation. Often private foundations have governing boards that are comprised solely of family members or others representing the intentions of the original donor. Clearly private foundations offer donors the greatest level of control and autonomy. However, they also involve significant set-up costs, ongoing administration, and other specific regulations and requirements. Generally, private foundations are an

option pursued only by donors who are making a substantial initial investment in their philanthropy.<sup>v</sup>

By contrast, **public foundations**, including LGBT Community Foundations, can be established without a large initial investment and then can grow through the contributions of many donors. Public foundations are required to be publicly-funded from multiple sources, which can include individuals, corporations, foundations, and others, and must continue to seek funding from a range of sources in order to retain their public charity status. As such, public foundations are both funded by, and accountable to, the broad community they serve, and are governed by a board of directors who represent the interests of the community.

### **Donor Advised Funds (DAFs)**

Another vehicle for the philanthropy of individuals or groups of donors is Donor Advised Funds (DAFs), which are being actively marketed by community foundations as well as financial service institutions. A single donor or group of donors can establish a DAF at a community foundation with an initial contribution (usually in the \$10,000 minimum range) and then make additional contributions of any level. Donors get full tax benefits at the time of their contribution and then can appoint one or more advisors to the fund, including themselves, who can make grant recommendations for the fund over time. Those grants are subject to approval by the board of the institution where the DAF is held.

DAFs have become popular because they are easy to set up and offer low initial contribution

minimums, low management fees, and access to the investment experience and program expertise of the institution where the fund is held. An example of an LGBT DAF is the Delaware Valley Legacy Fund, which was established at the Philadelphia Foundation by a group of LGBT donors, and which makes grants specifically to LGBT organizations.

### **What is the best choice for you?**

The option of establishing a private foundation is probably only appropriate if you are a single donor focused primarily on developing a vehicle for your own giving and if you already have very significant personal resources to dedicate to your philanthropy. In the vast majority of cases, the more realistic choice will be between establishing an independent public foundation or establishing a Donor Advised Fund at a community foundation. The next chapter addresses some of the questions to consider in making that choice.

## Is Establishing A Donor Advised Fund Right For You?

Many community groups have pursued their goal of creating a home for the philanthropy of LGBT donors by establishing an independent LGBT Community Foundation. However, some have decided to establish a Donor Advised Fund or other fund structure<sup>vi</sup> at their local geographic-based community foundation, or other compatible local public foundation. The potential practical benefits, economies of scale, and cost-effectiveness of affiliation with a larger mainstream institution make this an avenue worth exploration. Here are some of the pros and cons.

### **Some of the potential benefits of establishing a DAF include:**

#### **► Access to infrastructure, and back-office support**

Partnership with a community foundation brings the potential of support in many areas, such as processing contributions and grant applications, issuing grant contracts, providing access to office equipment and meeting space, and more. This is invaluable to an emerging fund. Reduced administrative burdens allow you to focus valuable volunteer time on planning, fundraising, marketing, visibility, and community outreach.

#### **► Access to professional expertise and credibility with donors**

An established community foundation has invaluable financial and philanthropic experience that can help ensure that your donors receive quality services.

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### **BENEFITS OF ESTABLISHING A DAF**

“Our Fund was started by a group of regional philanthropists active in LGBT organizations for years. We wanted to make our giving speak for the community and to challenge others to follow that example. Early response was significant, so we decided that the Philadelphia Foundation would be the most logical place for our donor advised fund; particularly since they have been involved in LGBT activities for over 20 years. The Philadelphia Foundation complemented our fund with depth of experience, resources, infrastructure, and clout. By processing our contributions and grant contracts, the Foundation allows our all-volunteer board members to focus on outreach and marketing; not on administration. The Foundation also forwards to our Fund all the LGBT-specific grant applications they receive. When we recommend grants from our Fund, often the grants are matched by the Philadelphia Foundation. It increases the impact our funding can have.”

**Bob Morrison, President,**  
*Delaware Valley Legacy Fund*

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These may include asset management, pooling of investments to create higher rates of return, access to standard donor agreements and other policies, grantmaking expertise, planned giving expertise, and more. Also, the backing of a large foundation may build trust and credibility and allay donors' concerns about investing in a new initiative.

➤ **The potential to generate awareness of LGBT issues within a mainstream philanthropic institution**

Partnership with a community foundation may amplify the impact of your work by generating opportunities to share information about LGBT issues and organizations with the staff of the foundation and with other donors. Also, your grantees may receive technical assistance and other support from the community foundation.

➤ **No requirement to actively fundraise from multiple sources**

Unlike public foundations, DAFs have no “public support” requirement and can be supported by contributions either from just one or two donors, or from many donors. Therefore, if you decide that you are primarily interested in creating a vehicle for your own charitable contributions as an individual or small group of individuals, then establishing a DAF is the best choice for you.

**Some of the potential downsides include:**

➤ **Less independence – both real and perceived**

When you establish a fund at a community foundation, the foundation retains final approval of all grants. This means that it is important to develop clear written agreements that ensure that your freedom to support the full range of issues in the LGBT community will not be compromised.

➤ **Less appeal to donors**

You also risk diminishing the sense of community ownership and pride that is generated by the

creation of an independent institution with permanent assets held by and for the LGBT community. That independence will be the draw for many donors and volunteers, and some LGBT donors may be reluctant to invest in anything but an independent LGBT institution.

➤ **Potential divided loyalty and affiliation for donors**

Your community foundation may – quite reasonably and understandably – see their support of an LGBT Fund as an avenue to gain the trust and long-term support of the LGBT donor community. This may become a source of tension in donor cultivation and relations, particularly if you have a long-term goal of separating from the community foundation and becoming an independent organization. In this case, it will be crucial to consider whether you are building long-term donor loyalty to the community foundation or to your Fund.

To weigh these pros and cons for your community, it makes sense to establish a relationship with your community foundation early in your planning. Included in Appendix Three is an important checklist of some of the questions you will want to cover with the community foundation.

Making this connection will help build a strong relationship with your community foundation, whether or not you decide to pursue a formal partnership. If you do decide to establish a Fund, you will have explored key issues and developed a written agreement establishing shared understandings and expectations. If you decide not

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to establish a Fund, the connection that you have made with your community foundation will still be valuable, as the Foundation is a strong potential ally as you launch your own foundation.

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### **BENEFITS OF ESTABLISHING AN LGBT COMMUNITY FOUNDATION**

“When we were first starting out, we met with the Vermont Community Foundation (VCF) and have had a good relationship with them ever since. Back then, when we thought about becoming a Fund of VCF, we had some concerns. Would they be comfortable with some of our ‘edgier’ grantmaking? Did they share our values of philanthropy as a vehicle for social change? Would some of our donors be wary of giving if we were not independent – and so on? But stronger for us than the reasons not to join VCF were the reasons why we SHOULD be independent.

We saw that by its very existence as a free-standing institution, an LGBT Community Foundation could strengthen the community to an extent beyond just the money we raise. For example, we were looking forward to the day when we could walk into a bank in Vermont and say that we have \$1 million to invest and that we wanted to have a conversation that would not just be about what their investment services were but also about what their policies were. If they wanted to manage our money they would have to deal with us.”

**Bill Lippert, Founding Executive Director,**  
*Samara Foundation of Vermont*

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# Section 2 Setting The Groundwork

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Section **2**

This section offers an overview of some of the key questions that a founding group should develop answers for as they begin to set the course for their foundation.

- ▶ What is the need and potential for an LGBT Community Foundation? – What is your community's profile, needs, and potential for giving?
  - ▶ What is your purpose and why should you exist? – What are your values, purpose and mission? How will you communicate your role and impact?
  - ▶ Who are you? – How will you define the community you serve and who will form your leadership?
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## Assessing The Need And Potential For An LGBT Community Foundation

A first step in deciding how you will be a central resource to the LGBT community is to know, and be known by, that community. A community scan or needs assessment can help you get a sense of the following:

- ▶ What does the LGBT community in your area look like – what are their numbers, racial and ethnic diversity, demographics, geographic locations, primary service needs, etc.?
- ▶ What programs and organizations exist to meet needs – in both LGBT and mainstream community organizations – and where are the gaps in service?
- ▶ What are the strengths and challenges of the existing LGBT organizations and programs in terms of funding, training, and other support?
- ▶ Which foundations and other donors are giving already to LGBT issues, and where are the gaps in funding?
- ▶ Who are the potential donors to your programs – what issues/organizations do people give to now, and how much interest is there in supporting an LGBT Community Foundation?

The answers to these questions will help you make the case for your foundation, plan your grantmaking programs and priorities, and focus your fundraising, marketing, and messages to donors. The process of gathering this information will be equally helpful. Each connection you make is a chance to build relation-

ships and visibility, and to develop community involvement in the early leadership of your foundation. Some of the steps to take include:

### **Look into options for professional support and put together a task force**

If you can afford to engage a consultant to help plan and conduct a comprehensive LGBT community needs assessment, this would be a valuable investment. Contact local foundations or government agencies to explore possibilities for their funding or collaborating on an assessment. Also, local research firms or academic programs may present possibilities for providing low-cost or pro bono research support.

Whether with professional support or as an all-volunteer effort, there is a great deal you can achieve if you have an organized task force of people to plan and coordinate your information gathering. To build this team, reach out to key individuals who reflect diversity in terms of age, race and ethnicity, gender, and background, and who have strong roots in different sectors of the LGBT community. Your team could include key donors to LGBT issues, activists, members of your local LGBT Business Association if one exists, staff of LGBT and other organizations and representatives of foundations and government agencies. Putting together such a team has many advantages: they will solicit their communities' input and involvement in shaping the foundation and will serve as powerful allies and ambassadors for your foundation in their networks.

### **Establish an agreed message, and limit and prioritize your questions**

This outreach is your first chance to build community support, so it is important to make sure that you are clear about what you are trying to do and why. Develop a short script to ensure a concise and compelling message about your goals for the foundation. It is also important to limit your assessment to a few key straightforward questions that will enable you to solicit input from many people and will make sure you get consistent answers that you can then analyze and summarize. Put together a concise survey for individuals that solicits demographic information and includes both open-ended and multiple-choice questions (sample survey questions are included in Appendix Four). This survey can be sent out by mail, administered over the phone, distributed at meetings, and – most effectively – sent to organizations and individuals online through a web service such as Survey Monkey.

### **Take different approaches to gather data and solicit community input**

In addition to your survey, use a variety of means to reach out to as many people as possible to describe your plans and solicit their input. The most valuable part of this outreach is the chance to build personal connections with people, so the more face-to-face conversations with individuals or groups that you can hold, the better. For example, you could:

- ▶ organize individual interviews or small focus group meetings with people who are engaged in, or knowledgeable about, the LGBT community;
- ▶ arrange to attend existing meetings, events and

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### **CONNECTION WITH LGBT BUSINESS ASSOCIATIONS**

“PFund grew out of the work and passion of our local LGBT Business Association in Minneapolis, and so did many of the other LGBT foundations, including Horizons Foundation. These Associations are a perfect partner and ally for our foundations, and should be contacted and invited as partners early in your planning process.”

**Gregg White, Founding Board Member,**  
*Philanthrofund Foundation (PFund)*

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social gatherings – LGBT clubs, social groups, sports teams, pride events and others – and take some time to speak with participants;

- ▶ hold a larger “town hall”-style meeting open to the public. These group meetings create richer input and also offer the opportunity to build connections among people and establish your role as a convenor.

Your most obvious and immediate audience for this outreach is people who are active and visible within organizations and institutions in the community. But it is also important to reach people who do not attend public LGBT events or programs and to connect particularly with people of color, seniors, women and transgender people. This requires flexibility to partner with community leaders who are from communities you want to reach, and to work with them to connect with people through more informal networks and through meetings at people’s homes.



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## HORIZONS FOUNDATION TOWN HALL MEETING

Horizons Foundation collaborated with the San Francisco Foundation to hold a Town Hall meeting attended by a diverse group of over 70 LGBT people, who worked first in small groups and then in a plenary session to answer the following questions:

- ▶ What is it like for you as an LGBT person living in the Bay Area?  
What adds to or detracts from your quality of life?
- ▶ What are the current needs of the LGBT communities in the Bay Area?  
Are they getting met? What is needed to meet them?
- ▶ What are the pressing issues facing the LGBT communities in the next few years?
- ▶ What are the major forces of change in the LGBT community?
- ▶ What are the assets, elements, services or characteristics that you would like to see sustained in the LGBT communities?

For each of these questions, participants were also asked what the role or impact of their local foundation could be. The primary goal of the meeting was to inform the planning and programs of both foundations. But a secondary result was an incredibly positive response from the participants, not only because their voice was heard, but also because they valued the opportunity to meet with and hear from each other.

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### **Collect current data, information and research, and conduct an organization scan**

Pull together any information that already exists about the needs and capacity of local LGBT organizations, and the LGBT community. Potential sources for that information include other foundations, United Way, state and city census data, county health and social service departments, or other organizations serving the LGBT community. If, as is likely, there is little existing data, then compile a simple questionnaire to obtain a profile of organizations that are currently serving LGBT people. Sample questionnaires used by other LGBT Community Foundations are available from Funders for Lesbian and Gay Issues.

### **Share what you learn and maintain your connections**

The data you have gathered may well constitute the most complete information about the LGBT community in your area. Compile a brief report with data, comments and quotes from the people you interviewed and share copies with interviewees, funders, organizations in the community, and the press. This will be a useful tool as a “case statement” for your donor development and will begin to establish the foundation as a trusted information source on LGBT issues.

## Setting Your Mission

Your assessment of the LGBT community will have given you a sense of the many needs that exist and the many potential directions that your foundation can take. A clear mission statement will provide a framework to inform where your energies should be focused, and a lens through which to evaluate the different options, directions, and opportunities that will present themselves to you. Also, articulation of your mission and purpose is engaging to early supporters and will engender their strong sense of ownership and loyalty to the institution they helped create. Once you establish your “big picture,” it is easier to embrace diverse approaches to realize your goals and to empower volunteers to take initiative in establishing the foundation. Some key steps to take and examples from current LGBT Community Foundations include:

### **Establish your core values first**

In an LGBT Community Foundation, people are coming together around their sexual or gender identity, not necessarily around a shared political perspective or cultural and social background. This makes it crucial to establish common ground and agree on the values you share, and on how those values will influence what kind of institution you will create and how you will work together. Bring together all your key constituents and work with a facilitator to identify the values that you all can embrace, and talk through ground rules to help translate those values into the day-to-day work of your organization. Then prepare a brief statement to

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### **ARTICULATING KEY VALUES**

“In our recent planning process, we wanted to look not only at what we do but also how we do it. Together we identified some clear ‘touchstone’ words that captured the values we shared: trusted, vital, inclusive, community builder. These are a way to describe the foundation to new board members and volunteers and allow us to review every aspect of our work, how we work together, what we fund, who we are. They also provide a framework to address difficult issues if and when they arise. We make our values as real as we can in every way, so to follow through on ‘inclusion’ when our t-shirt makers told us they could not produce PFund t-shirts in XXXL, we had to change suppliers.”

*Kit Briem, Executive Director, Philanthrofund*

### **VALUES STATEMENT**

“We are committed to building a foundation that is culturally, racially, and economically diverse.”

*Astraea Lesbian Foundation for Justice*

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help you articulate your values to prospective donors, board members, and volunteers.

### **Be focused and clear about your mission and purpose**

Your mission articulates the specific role you will play in the community and how you will go about it. In order to be effective and set manageable targets, it is important to avoid a laundry list of goals and to

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## EXAMPLES OF HOW LGBT COMMUNITY FOUNDATIONS HAVE ARTICULATED THEIR MISSION

### **Supporting projects and programs that benefit LGBT people**

“We empower the GLBT community by providing money for projects which nurture our communities’ strengths, pride, diversity, and positive character for all to see.”

~New Harvest Foundation

### **Building a permanent funding source for LGBT programs**

“We are building a permanent endowment to meet the long-term needs of an evolving community.”

~San Diego Human Dignity Foundation

### **Increasing mainstream funding for LGBT issues**

“We provide leadership on and information about LGBT issues to national and regional funders.”

~Pride Foundation

### **Encouraging a tradition of giving within and for LGBT organizations**

“Just as we are working to support the growth of organizations and projects, we are also working to build a community of informed, activist donors. We believe that as this constituency grows, so too will our community’s power.”

~Astraea Lesbian Foundation for Justice

### **Strengthening LGBT organizations**

“We provide educational opportunities in areas such as technology, grant proposal writing, and non-profit administration to LGBT organizations.”

~Horizons Foundation

### **Building LGBT leadership and investing in individuals**

“We work to build and strengthen current and future leaders by recognizing and rewarding individuals who play a vital role in our community.”

~Philanthrofund Foundation

### **Increasing visibility and public awareness of LGBT issues**

“We are educating the public about the nature and impacts of homophobia, its relationship to other forms of oppression, and the benefits of its eradication.”

~Horizons Foundation

### **Building networks – convening and connecting people**

“We are building a community of shared resources where donors, funders, and organizations work together, joined by a commitment to strengthen one another.”

~Stonewall Community Foundation

## Section 2

narrow your focus to no more than three priority areas. The previous page highlights some of the primary purposes that current LGBT Community Foundations have adopted.

Your selection from among these or other potential purposes, and the relative weight that you give to each, should be based on the outcome of your needs assessment and on your knowledge of the resources that already exist in your community. For example:

- ▶ LGBT organizations identify a need for technical assistance support as well as funding, and are there local non-profit support organizations that meet that need? Are LGBT organizations accessing the resources that already exist?
- ▶ What did your potential donors highlight as the greatest value of your foundation? Is there an interest in donor education events and services?
- ▶ Are there organizations conducting public education on LGBT issues? If not, is that a role that your foundation should play?
- ▶ Is there an LGBT community center? If not, can your foundation be a resource that brings the community together?
- ▶ Are there other progressive or community-based foundations in your community such as a Women's Fund? If so, what services and programs do they offer and where are the gaps or areas of collaboration?

The answers to these questions will help you focus in on your mission and the particular niche that your foundation should fill, and will help you identify the specific programs that you should develop.

## Building Your Community

Once you have a picture of your community and your mission, you can build a plan for who to reach out to – as grantees, as donors, as leaders of your foundation, and as partners and allies. Following are some key recommendations to consider based on the experiences and approaches taken by other LGBT Community Foundations, including challenges they have faced and overcome.

### **Make full inclusion of the LGBT community a priority from day one**

The breadth of their mission means that LGBT Community Foundations have a unique opportunity to bring together the full spectrum of the community, not only in their grantmaking, but also in shaping and leading every facet of the institution.

Unfortunately, some foundations have taken the approach that “we will focus on diversity when we are up and running, but we need to get on our feet first.”

This misses the invaluable opportunity to establish an inclusive vision and culture for your organization from the start, and leaves foundations susceptible to addressing diversity only when it emerges as a “problem” to be resolved rather than a core value that enriches and strengthens their work. Many LGBT Community Foundations have identified challenges they could have avoided if they had discussed their values around diversity from the beginning.

Early inclusion of the full LGBT community also makes good fundraising sense. The more people have been involved in the early creation of the foundation, the more likely they are to be willing donors and have a stake in the success of the foundation.

### **Consider diversity broadly**

The strength of your foundation will come from taking a comprehensive view of the community you include and planning for how that inclusiveness will be reflected throughout your work. For example, consider age diversity, ethnic diversity, socio-economic diversity, diversity of representation from faith communities, inclusion of people with disabilities, and more. This requires a conscious and consistent focus, as very often LGBT people of color, seniors, low-income people, transgender people, and others continue to encounter higher levels of discrimination and invisibility both outside and within the LGBT community. Unless LGBT organizations have prioritized diversity, the leadership of their institutions has tended to reflect rather than challenge that reality.

Explore ways in which your commitment to diversity can permeate your entire foundation – not only in terms of your grantees and board, but also your volunteers, donors, staff, grant committees, and vendors or consultants that work with your foundation.

### **Be strategic – set achievable goals and plans**

Foundations that have been successful in building a broad community base have done so through setting specific and realistic goals for diversity – based on the demographics of their location – and

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establishing a plan to achieve them. This overcomes the sense of trying to address every issue at once, which can paralyze the foundation and lead to inaction or to tokenism.

For example, consider whether or how straight allies will be included and represented within your organization. Some LGBT Community Foundations have included straight allies in their name, mission, and focus from the beginning and have included them in leadership roles on staff and board. Other foundations have decided that it is important, at least in their formative years, to remain exclusively focused on, and led by, LGBT people.

Also, make a deliberate decision about whether your focus will be on lesbian and gay people or also bisexual and transgender communities, and set a plan for how you will make that decision a reality for your foundation.

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### **20/20 HINDSIGHT**

“Our founders had some unstated and unexplored assumptions about who we would reach out to as we grew our donor and volunteer base. One of our first fundraising events was a croquet tournament, which pretty much identified us as an ‘A’ gay group and turned off many potential donors and volunteers. When we discussed our goals and agreed that we had a much broader vision for who our community will be, we had to overcome an image established by those early decisions.”

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## Section 2

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### **Set a specific plan for geographic focus and outreach**

Many LGBT Community Foundations have found that, although they started out with the goal of having a regional or statewide presence, in reality most of their grantees, donors and board members are concentrated in and around their home city.

This focus close to home often makes sense for the early stages of a foundation's growth, as it may be impossible to spread limited resources too widely. However, it also makes sense to plan for strategic and effective growth, particularly to reach out to LGBT people in rural and small town locations. The Pride Statewide model developed by the Pride Foundation – see Appendix Five for a full description – offers a creative and effective approach to strategic expansion that strengthens both local communities and the LGBT Community Foundation itself.

### **Prepare for building a diverse organization**

The melding of different perspectives and backgrounds within your foundation is an ongoing process that will change how you work together and in the community. Many foundations have found that outside consultants or trainers can be valuable in preparing them to create a culture of openness to new perspectives, effective cross-cultural communication, and an inclusive environment. The Resource List in Appendix One highlights information sources to help you build an inclusive organization.

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### **TAKING A STRATEGIC APPROACH TO DIVERSITY**

“A significant changing point for our foundation was when we took a decade-long broad discussion about diversity and decided instead to be strategic. We went through an exercise that involved the board in prioritizing the order in which we would address the different kinds of diversity that were important for our foundation. We decided to address gender, then geographic diversity, then ethnic diversity, then transgender inclusion, then age diversity, then inclusion of the straight community. This didn't mean that we completely ignored each area until its turn came. But it did mean that we could set real goals, be focused and accountable in achieving them and, in the end, have more success in building diversity than if we had tried to deal with everything at the same time.”

**Ted Lord, Former Executive Director,**  
*Pride Foundation*

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## TRANSGENDER INCLUSION

“Horizons Foundation had, like many organizations, expanded our name from a Lesbian and Gay Foundation to an LGBT Community Foundation, but for a couple of years nothing else apart from our name changed.

We realized that we needed to do more. The first and best thing that we did was devote a board meeting to a briefing on transgender (TG) issues for all board and staff. We all had a full understanding of how our communities are connected, what the issues are facing TG people, and how central they are to the challenges and misperceptions facing LGB people. Our board members became strong advocates, pushing the foundation to address TG issues.

We were proactive in reaching out to TG organizations to invite them to participate in applying for grants and technical assistance. We made sure we had TG people on our board and on all our grants allocations committees. We organized a briefing on TG issues for other foundations, and we featured TG organizations in our reports and newsletters. The result is that in following years around 20% of our grants have been to TG programs. All this happened because we were proactive.”

**Peter Teague, Former Executive Director,**  
*Horizons Foundation*

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# Section 3 Getting Started

Section **3**

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This section offers an overview of some of the key areas to cover in your first years.

- ▶ Establishing a plan of action
  - ▶ Governance – boards and committees
  - ▶ Conveying your message – marketing and visibility
  - ▶ Fundraising
  - ▶ Launching your programs
  - ▶ Setting up systems and establishing infrastructure
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## Establishing A Plan Of Action

The Buddhist saying “We have so little time, we must proceed very slowly” seems very relevant to the formative years of an LGBT Community Foundation. Setting a realistic and achievable plan with clear goals and building early success in attaining those goals will engender commitment and trust from early financial partners. At the same time, a focus on establishing the systems that you need as early as possible will also set you in good stead as you grow.

Develop a plan of action that creates a clear picture of what stage you want your foundation to have reached within three years and then establish your specific goals, action steps and timeline to reach that stage, including the budget that you will need to make this happen. Some areas that your plan should cover include:

- **Leadership and governance structure:** deciding who your board and committees will be, and how decisions will be made;
- **Marketing and visibility strategies:** deciding who you will target, how you will reach them, and what your messages will be;
- **Financial and fundraising planning:** establishing a budget for your operations and grants, and a fundraising strategy to meet that budget;
- **Programs:** deciding when and how you will make your first grants, and what other programs you will develop;
- **Infrastructure, systems and staffing:** addressing the legal requirements and policies for your foundation, establishing systems for data and financial management, and deciding if and when you will engage paid staff.

The following sections offer some insight from other LGBT Community Foundations in each of these areas. Also, as you get started, seek out advice from as many other organizations and individuals as you can, including other local foundations, your local Regional Association of Grantmakers and non-profit management support organization. As well as building relationships, you can access copies of standard policies and documents that others have used. A resource for all areas of starting a foundation is available from the Council of Michigan Foundations ([www.cmif.org](http://www.cmif.org)). Many other sources for policies and plans are included in the Resource List in Appendix One.

## Developing Your Leadership – Boards And Committees

Your volunteer leadership on boards and committees is the driving force for your foundation in its early stages – they are not only guiding the direction of the foundation, they are getting most of the work done. The following are some key recommendations for the early formulation of your board and committees.

### **Develop a founding board that reflects your goals for diversity**

Your foundation's founding board members are the primary architects of your foundation's mission and its principal representatives in the community. Therefore, as these examples show, the message that you send to the community by the early composition of your board has a particular significance in setting the course and the perception of your foundation.

### EARLY BOARD DEVELOPMENT

“Our founders were three gay men, who had been discussing starting a foundation – partly in response to the tragedy of the AIDS crisis. We learned we were going to inherit a bequest of \$600,000 – the chance to make our idea a reality. We realized that before making any major decisions we needed an equal number of lesbians at the table. We recruited three women to our founding board of six and then we wrote our by-laws, which included a provision for gender equity on the board. If we’d moved forward on building the foundation before men and women were equally represented, I know that we’d have jeopardized our ability to work with the whole community.”

**Bill Lippert, Founding Board Member and Executive Director,**  
*Samara Foundation*

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Some foundations have written specific requirements into their by-laws for the composition of their board in terms of gender balance, representation of people of color, geographic representation, and other goals. Others have been less specific in terms of numbers but have used their by-laws and other organization documents to express their intent and commitment with regards to diversity.

Whichever approach you take, it is important both to have clear overall goals for board composition, and then to recruit members not on demographic factors alone but for all the skills and experience that they can contribute to the foundation. This is crucial to the strength of the board itself and will also create a positive experience for each member, as no individual will be expected to represent an entire subsection of the population.

### **Be clear about how many board members and what skill sets you need, and recruit accordingly**

In drawing up your by-laws, you will establish the maximum size and structure of your board. Establish a board profile grid that lists the qualities, expertise, and background that you need, and then design your recruitment of board members to meet those goals. It is important to recruit a board with the range of skills that you need in your first years, such as: marketing, legal experience, non-profit management experience, fundraising, grantwriting, public relations, foundation experience, computer skills, database development skills, accounting skills, and more. To ensure this range of skills and to meet their goals for inclusion, many LGBT Community Foundations have boards in the range of 12 to 24 people.

Whether by creating a nominations committee, or by making recruitment the responsibility of the board chair, make sure that board recruitment is not left to

chance. Once you know your recruitment goals, establish a plan for identification and cultivation of board members that is ongoing throughout the year, and that includes a structured process for interviewing, selecting, and training new members.

### **Establish clear expectations and policies for your board**

There may be a resistance to formal rules and structures, particularly among founding board members, but it is never too soon to establish the policies and systems that will ensure that board members have consistent expectations of each other and clarity about their role and responsibilities. Some of those include:

- ▶ a statement of expectations of board members, that establishes agreement around fundraising responsibilities and commitments, meeting attendance, committee participation, number of volunteer hours, and other areas;
- ▶ annual plans that set specific goals and commitments for each board member;
- ▶ a conflict of interest policy;
- ▶ a policy and system for board self-evaluation;
- ▶ a board manual with organization information and policies.

BoardSource ([www.boardsource.org](http://www.boardsource.org)) is an invaluable resource for standard policies and advice around board development and structure, managing board meetings, keeping minutes, and many other issues.

The establishment of shared goals does not mean that board members are expected to see eye to eye on every issue. Your policies should include clear

agreements about what kind of decisions are made by the board, the approaches you will bring to decision-making, and how different viewpoints will be accommodated.

### **Share the load – engage volunteers in committees and advisory boards**

As well as their board-led committees for fundraising, finance, and programs, many LGBT Community Foundations have created other short-term task forces or committees – which often include board and non-board members – to address specific issues such as marketing, investment planning, or events planning, as well as a committee for Grants Allocation. Establishing an advisory board is an effective means to bring in community leaders who may not be able to put the full-time commitment needed for board membership, but who bring important visibility and expertise.

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## **BOARD RECRUITMENT**

“There were four of us who started the foundation and got it incorporated. We wanted to avoid the problem of just bringing on your friends, so we agreed that each board member would recommend four to five potential board members that none of the rest of us knew. This brought us new perspectives and connection to a much broader community than we would have known if we had just stuck with contacting our current circle.”

**Gregg White, Founding Board Member,**  
*Philanthrofund Foundation*

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### **BOARD RECRUITMENT AND ORIENTATION**

“Pride Foundation asks potential board members to volunteer for a year before joining the board. This ensures we have non-board members on many board committees and it helps people determine if it’s the right fit. Also, when they are nominated to the board, there are usually several board members who know this person already from their committee work. Before joining the board, they are invited to attend 1-2 board meetings and have coffee with one board member who they don’t already know.”

**Audrey Haberman, Executive Director,**  
*Pride Foundation*

### **BOARD POLICY EXAMPLE**

“Our by-laws have always required that all our board members are lesbians, and at least 50% are women of color. In practice we have always had more than 50%. We are welcoming of men as donors, as staff, as volunteers and supporters, but we have decided that the governance leadership of our foundation will remain lesbian only.”

*Astraea Lesbian Foundation for Justice*

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## **Marketing And Visibility**

As soon as there is clarity on why your foundation will exist, develop a concise and compelling argument for your unique value and the comparative advantage that would encourage donors to give to an LGBT Community Foundation. That message should then be communicated consistently by your leadership and volunteers, and should be the basis for your newsletters, your brochures, your website, your email updates, and all your other public communications. For example:

**Your Name:** Consider a name that will express your identity both now and into the future as you grow. In choosing a name, many foundations have decided against using the words “gay” and “lesbian.” This is either to avoid explicitness that may be a challenge for some potential donors, and/or to avoid either excluding some sectors of the community (e.g. bisexual and transgender people) or having a very long title. Many foundations have not used location-specific names, as their geographic scope may change over time. Instead, many foundations’ names reflect their values – such as equity, pride, dignity – or convey a message of their philanthropic purpose – such as horizons, philanthrofund, legacy.

**Tagline:** This is the brief one-line motto used on your website, brochures, letterhead, grants materials, and all other documents that highlights your primary goals or key values. Examples of taglines include:

- **Creating permanent resources to make permanent change**  
~ Samara Foundation
- **Giving Together, Building Community**  
~ Pride Foundation
- **Equity Foundation invests in dignity for all of us**  
~ Equity Foundation
- **Thousands of LGBT People, Hundreds of LGBT organizations, One LGBT Community Foundation**  
~ Horizons Foundation
- **Funding change and strengthening communities around the world**  
~ Astraea Lesbian Foundation for Justice
- **A Foundation Celebrating and Strengthening GLBT communities**  
~ Philanthrofund Foundation
- **Inspiring donors to change our community**  
~ San Diego Human Dignity Foundation

**Elevator Speech:** Develop a one-minute version of your description of your foundation: what it does, what it will become, why it's important, why you care, why someone should give to you. The description should be free of non-profit or foundation jargon, and should offer compelling statistics or facts. As your programs grow, you should also be ready with a story or example that illustrates your impact in a tangible way – an organization that got its start through your foundation, or a grant that made a difference in someone's life. Each speaker will adapt the presentation to their own, but the core elements and message should be consistent.

**Case statement:** This is a longer description that allows you to clarify your unique impact in greater detail, establish your capacity to achieve your mission and articulate the difference your foundation will

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### CHOOSING A NAME

“When we first started, many of our potential donors were not out to all their family and friends, and some told us that they would be less likely to name the foundation in a will if the name of the foundation ‘outed’ them. So one of our earliest donors suggested a name inspired by a quotation from May Sarton:

*‘I would like to believe when I die that I have given myself away like a tree that sows seed every spring and never counts the loss, because it is not loss, it is adding to future life. It is the tree's way of being. Strongly rooted perhaps, but spilling out its treasure on the wind.’*

Inspired by those words, which express our goal to build permanent resources for our community, we chose the name Samara – which is the winged fruit of the maple tree, a native tree of Vermont. The name is a conversation starter and allows us to explain our purpose and mission, and enables our donors to be as out or discreet in their giving as they want.”

**Bill Lippert, Founding Executive Director,**  
*Samara Foundation of Vermont*

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### **BUILDING VISIBILITY**

**PRIDE FOUNDATION** holds a raffle throughout the summer. Tickets are very low cost, and the prize-winner is able to choose an organization that will receive a grant. This encourages people to think about giving, and gets new names, emails, and addresses for Pride. Pride also arranges with other LGBT organizations and groups that they can sell tickets and keep 50% of the revenue as well as the names and addresses of people who buy from them.

**HORIZONS FOUNDATION** collaborated with a local corporation to launch a youth fund. The corporation offered a matching grant for all contributions, and funding for production and placement of ads in bus stops and inside city buses to publicize the match.

**PHILANTHROFUND FOUNDATION** was a sponsor of the local LGBT Film Festival and of local LGBT sports events and teams.

### **MARKETING & COMMUNICATIONS: WORDS OF WISDOM**

**DO A DIVERSITY AUDIT** “Ask someone who does not know your foundation to look at your website, your brochures, your newsletter and reports. Then, without any prompting, ask that person to tell you what those materials tell them about the Foundation, in terms of who you are, who you serve and what your values are. That fresh perspective will show you how you are communicating. For example, someone reviewing our newsletters asked me if all our board members were wealthy – because every single photo we included of the board was taken at fundraising events at expensive locations.”

**GET A GOOD LOGO AND GOOD MATERIALS** “We spent time and money on our logo and on our first newsletter and made sure they looked really good. We got donations from people who commented that it was the look of our materials that prompted them to read and to give to us.”

**FLASHY IS NOT ALWAYS BEST** “Sometimes a glossy multi-color designed set of materials will leave your donors wondering how much of their money went into your publishing budget and how much went to your grantees. Secure donations for design, paper, publications, etc. or look to foundation/corporate underwriting for your publications – and make sure that the fact that these were donated is made very clear. Donors want to know you are using their money carefully – and they will see that you leverage partnerships well.”

make. Again the case statement should relate back to your mission and programs. Many of the compelling arguments that might make their way to your case statement are included in Section One of this guide, and an example of an LGBT Community Foundation case statement from the Samara Foundation is included in Appendix Six.

As you expand programs and services, and have more stories to tell, you will update your communications and develop a vision statement (see next section). However, your core message should rarely change in order for the foundation to establish a clear identity and build recognition and understanding of its value.

When developing materials to describe your foundation, make sure that they also reinforce both your purpose and your definition of your community, not only through the written description, but also through the visual images, photos, and the selection of grantees and donors that are featured.

### **Take creative approaches to build visibility and reach a broad audience**

As well as investing in a website, brochure, and other printed materials, it will be important to explore other ways to expand your visibility at minimal expense. Many LGBT Community Foundations have used email contacts and e-newsletters as effective ways to connect regularly with potential donors. Others have worked in partnership with their grantees or potential grantees, for example by being featured in grantee newsletters and including their logo on grantee materials and links to grantee websites.

## **Fundraising**

For LGBT Community Foundations, fund development is not just a means to the end of making grants or supporting organizations. It is a core purpose and primary program activity. As with your other programs, your fundraising strategy should have both a long-term goal and achievable short-term approaches, and should be based on your understanding of the needs, interests, and giving potential of your donors.

We will focus here on the short-term approaches and considerations in building a broad base of donors giving annual donations. However, many LGBT Community Foundations are also increasingly pursuing a sustainability and growth strategy that includes building an endowment, encouraging planned gifts and bequests, and offering various donor fund options. Those long-term approaches are addressed in the next section.

### **Develop a fundraising plan with targets, strategies, and activities**

Before you start raising money, you need to be able to make a clear case to donors for what investment you need to get the foundation off the ground, and what their contributions will help you achieve. That case will be based on your three-year action plan and budgets. Your fundraising plan will set overall goals for support, targets for each giving level and each funding source, and a calendar of activities.

The *Grassroots Fundraising Journal* ([www.grassrootsfundraising.org](http://www.grassrootsfundraising.org)) offers resources that



### PLANNED GIVING

“Although we had not yet launched a formal planned giving campaign, we had always mentioned the importance of planned gifts in our newsletter and donor mailings, and it has made a real difference. When we recently did our first formal outreach to donors to encourage planned giving to PFund, we heard from more than 40 donors that we were already named in their wills.”

**Kit Briem, Executive Director,**  
*Philanthrofund Foundation (PFund)*

“As a resource for our community, Horizons has put together a ‘Directory of Professional Advisors for the LGBT Community,’ which includes background and contact information for attorneys, financial advisors, accountants, and others who offer services that integrate the needs of LGBT clients. Even before launching a full planned giving campaign, this is a valuable and effective approach. The guide is appreciated by our donors, and also has enabled Horizons Foundation to build its visibility and name recognition with professionals who advise individuals on their estate planning, including planned giving”.

**Roger Doughty, Executive Director,** *Horizons Foundation*

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will help you develop your plan and create a budget for fundraising.

### **Build a broad and diversified funding base**

Unlike most geographic-based community foundations, whose fund development strategy has focused on major donors and on building long-term, permanent assets, most LGBT Community Foundations have intentionally solicited individual donor contributions at all levels from small to large. For some foundations that decision is grounded in their values and mission.

A broad donor base is also crucial because, although some LGBT Community Foundations were first launched through a bequest and some do have endowments, most are still primarily dependent on an annual fundraising campaign strategy to raise the funds they need for their operations, programs, and grantmaking. Over time, many LGBT Community Foundations have focused more of their development efforts on major donors and on building permanent funds, but they have remained mindful of the importance of encouraging and recognizing contributions at all levels.

Another component of a diverse funding base is corporate and foundation support, and many LGBT Community Foundations have successfully engaged foundation partners in funding their grantmaking, technical assistance, capacity building, and donor development activities, or in providing sponsorship support for their events.

Diverse funding also requires reaching out beyond those people who are already giving to the community by identifying new potential donor bases and creating new opportunities to give.

### **Focus on building relationships, not just asking for money**

All successful fundraising is based on building relationships and trust, but this is particularly true for an LGBT Community Foundation. You are engaging donors in a community venture, building a community of philanthropists, and assuring donors that you are holding their funds in trust – not just for now, but for the future.

This requires connections that are not just “asks,” willingness and patience to build relationships over time, consistency in contacts with donors, and respect for different donors’ requests in terms of contact. It also means being responsive to donors’ interests without compromising on your values or veering from your mission.

### **Combine strategies that will encourage permanent gifts with those that raise funds for immediate needs**

A major endowment or planned giving campaign is more appropriate once your foundation has a track record of grantmaking and of effective stewardship of the community’s resources. However, it is never too soon to convey the message that your foundation is there for the long-term and is a home for permanent assets. For this reason, many LGBT Community Foundations have offered even first-time donors the

option of making an endowment gift, and have encouraged their founding board members and other key donors to model their commitment by including the foundation in their wills.

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### **BUILDING DONOR RELATIONSHIPS**

**PRIDE FOUNDATION** organizes field trips for donors, where donors are taken to visit a range of LGBT grantee organizations.

**ASTRAEA LESBIAN FOUNDATION FOR JUSTICE** holds phone thank-a-thons for all their donors – every person who has given to the foundation gets a call from a staff person or board member, thanking them for their support.

**STONEWALL FOUNDATION** holds special events for donors aged 30 and under.

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### **DONOR RECOGNITION STRATEGIES**

“At Horizons, we wanted to create categories that would recognize our key donors, and so we have created three categories of donors: our Leadership Circle for donors who give over \$1,000; the Legacy Circle for donors who have named us in their wills or other planned giving devices; and our Loyalty Circle honors donors who have given at any level to Horizons for six or more years. The Loyalty Circle is crucial, because we are recognizing donors who have shown the most consistent commitment and we are also encouraging a tradition of philanthropy in our community.”

**Roger Doughty, Executive Director, Horizons Foundation**

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### **BUILDING AN INCLUSIVE DONOR BASE**

“Astraea’s founding mothers were visionaries. Their dream was to build a multicultural, multiracial, multiclass foundation that would demonstrate that philanthropy could be responsive to and inclusive of women, and that all members of our society could be philanthropists. Today, their dream is Astraea’s reality. Astraea’s philanthropists include women and men of all sexual orientations, ages, ethnicities and races who make contributions ranging from \$5 to \$100,000. They understand that money is a source of power and that, by giving to Astraea, they are making a statement about, and a commitment to, affect social change through the collective pooling of resources.”

*Astraea Lesbian Foundation for Justice*

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### **REACH OUT TO BROADEN THE DONOR BASE**

“When our fundraising committee looked at our list of potential donors, we realized that these were the same names that were on every organization’s list. So we decided to approach new people, to build the donor base for all organizations: to pick markets that were unsaturated. When we did a market analysis, we identified three new strategies:

- The first was workplace giving, so we began a workplace fundraising campaign through which people can give directly from their salary. This allowed us to connect with LGBT employee groups.
- The second was to reach out to the straight community, because no other organizations were targeting them. We developed a campaign stressing that support for the LGBT community was strengthening the whole community. I estimate that around 25% of our donors now are straight allies.
- Then we did a phone-a-thon fundraiser to 600 people from the leather community, and 70% gave to us – a very high rate – many saying that they had never been asked before.”

**Ted Lord, Former Executive Director, Pride Foundation**

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## Launching Your Programs

This section provides some insights and recommendations for initial grantmaking and technical assistance programs, as these are most likely your first program activities. There are, however, many other programs that have been pursued by LGBT Community Foundations as they reach a certain size and capacity, including acceptance of donor advised funds, scholarship funds, and other grant services for donors. These and other initiatives are covered in the next section, as they provide a model for growth, and offer talking points for the potential impact that your foundation can have as it develops. The Resource List in Appendix One highlights some resources for designing a grant program. The following are specific recommendations from LGBT Community Foundations:

### **Launch a grants program within your first year – even if it is small**

Although it is a challenge to balance grantmaking with investment in the foundation's own development, LGBT Community Foundations have found that early launch of a pilot grants program is invaluable in building visibility, and generating volunteer commitment and donor interest. Explore possibilities to leverage other funding to launch your grants program, such as through a challenge or matching grant from a local donor, corporation, or foundation. Also, consider timing your first public event around announcement and celebration of your first grantees.

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## EXAMPLES OF IMPACT GRANTS

### SMALL GRANTS TO LARGE ORGANIZATIONS

“We sometimes make grants to very specific issues within large mainstream organizations. For example we funded a women’s organization to target support to lesbian victims of domestic abuse. Our grant gave legitimacy and visibility to that issue within the organization and its donors and supporters.” “We have made grants to Children’s Home Society chapters to support LGBT youth programs, but also to make the whole organization more LGBT knowledgeable and supportive, and to encourage them to advocate for our issues.”

### GRANTS TO BUILD BRIDGES WITH ALLY ORGANIZATIONS AND ISSUES

“We make a special grant each year to an ally organization. One year – the year of the Boy Scouts ruling – we gave to the Girl Scouts. Other communities also gave to local United Way organizations, in honor of their decision to stop funding the Boy Scouts.”

### GRANTS TO LGBT-FRIENDLY MAINSTREAM ORGANIZATIONS

“We give several grants to the Unitarian Universalist church because they are the only welcoming congregation in some of the rural areas and therefore are sometimes the only safe public meeting space. Everything happens in these church basements – gay bingo, HIV/AIDS support groups, fundraisers, etc.”

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### **Keep your initial grantmaking areas broad, your priorities clear, and your process simple**

At the heart of almost all LGBT Community Foundations is a community grantmaking program, which provides funding for a range of issues and organizations within the LGBT community. This broad approach offers valuable information and experience that can then help you refine your grant priorities and criteria over time. Some of the key questions to decide in establishing your grant priorities are the size and duration of grants, the geographic scope of your grantmaking, the purpose of grants (for projects, for general operating support, or for capacity building), and other values that will influence grant decisions.

Your answers to these questions should be based on your needs assessment of your community, and should be made in consultation with local LGBT organizations. When you have decided on your priorities, it is important to make them clear in your grant application materials. For many LGBT Community Foundations, examples of those priorities have included:

- ▶ Priority to organizations with limited budgets;
- ▶ Priority to programs that have limited access to mainstream funding;
- ▶ Priority to programs led by, and serving underserved segments of the LGBT communities, including programs that represent and serve diverse constituencies with respect to ethnicity, race, age, and gender;
- ▶ Priority to grants that have an impact beyond the

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### **TECHNICAL ASSISTANCE TO GRANTEEES**

“By having three grant cycles in the year, we were able to work with organizations that we would like to fund but that didn’t yet have the structure needed to receive a grant. We spent time to help them understand what they would need to do to get support and to give them some assistance to get there. For example, we had a proposal from some youth who wanted to put on a “Proud Theater” production, but had no structure or 501(c)(3). We helped them think about how to develop a board and get a fiscal sponsor, and then we were able to give them a grant. Now they are a thriving theater group.”

**Linda VandenPlas, Board Co-Chair,**  
*New Harvest Foundation*

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dollars granted, for example by bringing visibility to, or increasing awareness of, an LGBT issue;

- ▶ Priority to organizations established primarily by and for the LGBT community.

With your pilot grants, make sure that the application process is not too burdensome, that you are responsive and accessible to grant applicants, and that you have systems in place to manage the grant contracts and reporting. The National Network of Grantmakers’ *Exemplary Grantmaking Practices Manual* offers practical advice on how to be accessible, clear, and consistent in communications with your grantees ([www.nng.org](http://www.nng.org)).

## **Involve your community in the grant review process**

The majority of LGBT Community Foundations have developed processes for grants to be reviewed by panels of community members, usually including both board members and other non-board representatives, such as donors, community activists, non-profit staff, and others. This enriches the decision-making by bringing in a variety of perspectives, backgrounds, and experiences, and also reinforces the message of broad community involvement in the foundation. It also requires effective planning and coordination. Some elements that are crucial to the success of community grant review panels are:

- ▶ diversity in the background and experience of panel members;
- ▶ clear and consistently applied “conflict of interest and confidentiality” policies that ensure that people who are connected with grant applicants are not involved in decisions on those grants;
- ▶ clarity about the priorities and criteria that reviewers should take into account in reviewing proposals;
- ▶ clarity about the proposal scoring and decision-making process;
- ▶ a thorough orientation process for grant reviewers (ideally bringing the panel members together before they begin reading proposals);
- ▶ agreed ground rules for review meetings and a neutral facilitator who is not involved in the decision-making to manage the decision process.

## **Technical Assistance**

Many LGBT Community Foundations have responded to their grantees' and potential grantees' request for resources and training to help them build the skills of their staff and volunteers, and to address some of the organizational challenges they face.

The technical assistance can range from informal one-on-one support for grant applicants, to group trainings, which engage volunteer trainers with different areas of expertise – such as accounting, database design, marketing, and grant-writing – to lead workshop sessions. These trainings can be organized at relatively low-cost, and can build connection among organizations and help establish the foundation as a trusted resource.

## **Infrastructure, Systems And Staffing**

It is early in your organization's development, when activities are run by volunteers and there is often turnover of people involved in projects, that establishing systems and processes to capture data and to track your activities is particularly valuable. The Council on Foundations' publication, *The Guide to Small Foundation Management from Groundwork to Grantmaking*, offers helpful practical advice and checklists for setting up an office, systems, and technology, and BoardSource ([www.boardsource.org](http://www.boardsource.org)) has a checklist of all the issues to cover in starting a non-profit organization (see Appendix One). Some other key recommendations include:

**Address your legal requirements and establish your key policies**

Publicly-supported LGBT Community Foundations are public charities and can be established through the same legal channels as other non-profit organizations. This means that the two primary legal requirements to establish a public foundation are applications for federal 501(c)(3) and state tax exempt status. Both require that you have Articles of Incorporation and By-laws.

Completing these documents and applying for 501(c)(3) status are relatively straightforward, though it is worth seeking out pro bono support from an attorney or accountant. As well as including the standard information required, this is the chance to establish board composition and committee structure.

There are a number of other policies and procedural documents that you will want to address as you grow over time. Appendix One includes sources for sample documents and advice.

**Centralize and prioritize setting up sound financial and data management systems**

Before you start contacting donors, raising money, and making grants, take a moment to picture the kind of information that you will want to have when you hold your 10th Anniversary Celebration. That may include for example:

- the name of the first organization ever to receive a grant from you;
- updated addresses of every grantee or grant applicant;

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**CHECKLIST OF LEGAL AND POLICY DOCUMENTS**

**Immediate To Near-Term**

- Articles of Incorporation
- By-Laws
- 501(c)(3) Status Application - federal
- Tax Exempt Status Application - state
- Board of Directors Liability Insurance

**Short-Term To Long-Term**

- Board Manual & Procedures
- Conflict of Interest Policy – Board and Grant Committees
- Personnel Policy
- Gift Acceptance Policy
- Investment Policy
- Donor Advised Fund Policies and Procedures

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- an honor role of your founding donors;
  - a list of donors that you can segment according to their giving history;
  - a list of all past board, advisory board, and committee members;
  - an accurate, comprehensive mailing list of people to invite, and more.

In order to be able to have that information then, you need to set up effective systems now. Those systems will help you manage and track the following:

- **Donor and prospect information** Set up a database to capture every new contact and name that you receive from board members, events, or

other outreach, to ensure regular updates to the database and to track the contacts made with those donors or potential donors. Make sure that more than one person is involved in this process, so that there is a smooth handover as new volunteers take over the job.

- ▶ **Accounting** Effective financial management is central to building the trust and confidence of your donors and grantees. This includes using good accounting software and establishing a regularly managed system for recordkeeping, accounting to track designated funds, grant disbursements, expenses, etc. It also means setting policies for checks and balances to ensure adequate oversight and transparency in financial operations, and instituting an annual audit and financial reports that are available to the community from your first year of operations.
- ▶ **Grants Management and Organization Database** Set up a system to centralize information about all LGBT organizations and programs in your area, and to track every grant applicant, as well as the grantees, grants made, and reports received, and key information about the grants – geographic focus, people served, issue focus, etc.

Larger foundations and organizations often use customized information management software to manage this information such as FIMS or Foundation Power, or fundraising software such as Raiser's Edge. However, while relational databases that combine accounting, grants management, and donor information would be ideal, most of the information that you need to track can be managed through simple accounting software and database software such as FileMaker Pro or Microsoft Access. Free software for

organizations to customize FileMaker Pro is available at [www.meadowbase.com](http://www.meadowbase.com). Many Foundations have found that the challenges in managing their information rest less in the technology they use than in the establishment and maintenance of systems to ensure that data is captured, and regularly inputted and updated.

### **Begin thinking early about how and when you will hire your first staff**

For many LGBT Community Foundations, the hiring of their first staff person is a key turning point in their development. Even while you are still an all-volunteer organization, it is worth setting a goal for what level of resources you will need to hire a staff person, how you will raise those funds (possibly through a capacity building grant from a foundation), and how you will structure that first position.

Some of the pros and cons and issues to consider in deciding whether and how to hire staff are:

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#### **DATA MANAGEMENT**

“In our early years, we raised a lot of money at events – we raised many donations of \$5 or \$20, and this was great because it gave us names to add to our list. But that is no good if you don't track contacts and addresses well, don't update your database regularly, keeping note of address changes, people's requests for how they like to be contacted, and so on. You don't need the best computer – you just need a good list, and good list maintenance.”

**Gregg White, Founding Board Member,**  
*Philanthrofund Foundation*

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**Pro:** Paid staff can increase the impact and capacity of the foundation and contribute to its continued growth beyond the start-up phase. Even the most active and engaged board members cannot offer the consistent presence, and increase in productivity that a paid staff person can provide. With paid staff people, the foundation has increased visibility and can be more responsive to the community and to donors; foundations and other funders are reassured by a staffing presence; information can be better coordinated, and volunteer and board members' time can be used more effectively.

**Con:** Hiring staff raises the stakes for the foundation because its "overhead" is suddenly much higher; the pressure to raise funds regularly is increased, and the balance between investment in the community and investment in the organization has changed. Having staff also changes the character of the foundation and can, if not managed proactively, raise challenges as the board and staff members learn how to work effectively together and to have clear structures for where and how decision-making and responsibilities will be divided.

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### SOME WORDS OF WISDOM RELATED TO HIRING STAFF

#### DON'T WAIT TOO LONG – TAKE THE LEAP

"Our organization was started as one person's idea, and that person brought in friends and colleagues and launched a very successful "garden tour" fundraising event. Now, 20 years later, we have \$50,000 in endowment, but we haven't grown steadily over the years. Looking back, I can see that we have not grown due to the fact that we have never taken the step of bringing on paid staff."

*Linda VandenPlas, New Harvest Foundation*

#### DON'T THINK THAT THE BOARD'S JOB WILL IMMEDIATELY GET EASIER

"You can't expect a group of volunteers to do all the work involved in the Foundation for so long. I think we could have grown more quickly if we had hired a staff person sooner. Probably the most important thing to look for in your first hire is someone who is not afraid to ask for money, but also someone who will ensure that the board continues to be the leader in fundraising. You have to make sure that the board and volunteers don't step away from fund development because now they have a staff person. In fact the board's job might be even more substantial, as the productivity of the Foundation will increase."

*Gregg White, Founding Board Member, Philanthrofund Foundation*

#### THINK THROUGH THE IMPLICATIONS OF HIRING PEOPLE ALREADY INVOLVED IN THE FOUNDATION

"Having been the Founder and a Board Member of Samara, before becoming its first Executive Director, I am well aware of some of the challenges that exist in that transition. The most important was that as Executive Director, I had to give up some of the control that I had had as Board Chair, and to make sure that the Board had new voices on it, people who were new to Samara and to me. The Board were – and are – the decision-makers about policy, and this has made sure that Samara is not just guided by my vision, but by the vision of many."

*Bill Lippert, Executive Director, Samara Foundation of Vermont*

# 4

## Section 4 Planning For Growth

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This section offers an introduction to issues to consider as you move beyond your start-up phase and look to your longer-term growth and development.

- Establishing your vision
  - Expanding your donor services
  - Expanding your program impact
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## Establishing Your Vision

Once your foundation is established and your leadership, advisors, early donors, and initial programs are in place, it will be important to engage in a longer-term planning process to set the long-term vision for the change that you want to work towards.

Gather your stakeholders – board members, representatives of grantees, donors, and community partners – and lead them through a process that encourages them to picture and express how the world will be different as a result of the foundation's work. Some examples of components of a vision statement that LGBT Community Foundations have chosen include:

- ▶ “A vision of a community that values diversity and lives proudly in a world free from prejudice”;
- ▶ “A just society that values human variety, where all people can live fully with dignity and confidence”;
- ▶ “A world in which homophobia does not exist”;
- ▶ “An end to oppression in all its forms”;
- ▶ “To build communities that embrace the dignity and worth of all people”;
- ▶ “A vision of a vibrant and healthy LGBT community”;
- ▶ “A vision of a community where GLBT people are celebrated and live free from discrimination, violence, invisibility, and isolation.”

As these examples show, this process can create a statement which is bold and optimistic, envisioning the change that your foundation will be part of

creating, while also offering clear direction that will influence your programs and activities.

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### VISION GUIDES PROGRAMS

“As part of our planning process, our board and advisors came together and brainstormed our statements of what was most important to us in our vision for the future. We were surprised that one of the strongest goals that we had was of ‘a world in which homophobia does not exist.’

This became one of the benchmarks for our programs – meaning that we did not just want to support organizations that help people deal with the impacts of prejudice, but wanted to challenge prejudice itself. Supporting public education and advocacy efforts, and engaging in those efforts ourselves became one of the cornerstones of our foundation.”

**Peter Teague, Former Executive Director,**  
*Horizons Foundation*

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## Expanding Your Donor Services

As you move beyond fundraising for your initial start-up phase, you will begin to establish a longer-term fund development strategy and planning for your foundation's future asset base. Over time this will likely include the launch of a planned giving campaign and/or establishing an endowment for your foundation. It may also include becoming the home for donor advised funds. The following are some of the approaches followed by, and recommendations of, other LGBT Community Foundations, as they decided whether and how to expand their donor services.

### **Establish your policy and criteria for accepting donor advised funds and other offerings from individual donors**

The most valuable form of contribution to a foundation is an unrestricted donation or bequest that can be allocated at the foundation board's discretion. There are, however, other forms of contributions that allow donors to be part of building the LGBT Community Foundation while retaining influence on how their gift is used. The most popular of these are Donor Advised Funds (DAFs). DAFs have represented a major source of growth for a number of LGBT Community Foundations. In 2002, for example, the five largest LGBT Community Foundations granted as much or more from their DAFs as from their own grants programs.

The value of DAFs is clear: they offer the opportunity to attract and build a relationship with high net-worth donors and they build the asset base, visibility and credibility of the LGBT Community Foundation. However, DAFs also present considerable challenges and early consideration of those will help you decide whether or when to offer a DAF program and how to structure it in a way that enhances rather than distracts from your mission. Some of those considerations include:

#### **► How will you structure your DAF program so that it complements and strengthens your grantmaking and programs?**

Some foundations have established requirements that donors also make significant contributions to the foundation and/or designate grants to the foundation's grantees.

#### **► How much flexibility will you offer donors to recommend grants that are outside your geographic or program focus?**

Some foundations have put a limit on the number of non-LGBT grants that can be made from a DAF. Others have maximized the impact of non-LGBT grants by requiring grantees to have non-discriminatory policies (a sample Certificate of Non-Discrimination, used by Philanthrofund Foundation, is included in Appendix Eight) or to highlight the impact of "pink money" by publicizing the grants as coming from an LGBT Community Foundation.

► **How will you offer the level of administrative, program, and financial services required by DAFs without them becoming a drain on your resources?**

These administrative demands are substantial, and even many large geographic-based community foundations with established systems and economies of scale are struggling with how to price their donor services to reflect their real cost. Some LGBT Community Foundations have put limits on the level of program services they will be able to offer; others have put limits on the size or number of grants that can be made.

► **How will you articulate the “value added” or comparative advantage that would encourage donors to establish funds at your LGBT Community Foundation?**

Given the fact that you are unlikely to be able to compete in terms of fees or ease of administration with community foundations and financial institutions, it will be important to make a strong case for why donors should establish funds with your LGBT Community Foundation. For many foundations, that case has been the opportunity for donors to increase the impact of their philanthropy by contributing to building their LGBT Community Foundation, and the opportunity to network and connect with other donor advisors.

The issues outlined above may lead you to postpone establishment of a DAF program until you have reached a certain level of growth or to decide not to offer DAFs or other donor vehicles. But if you

decide to establish a DAF program, there are many resources that you can turn to for standard DAF agreements, fee structures, and so on. It will be important to clarify the program's policies and goals either in your gift acceptance policy or board policies. A sample Gift Acceptance Policy document is included in Appendix Seven.

**Set a clear structure and policy for acceptance of Scholarship Funds**

Scholarship funds have a broad appeal to

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**CONSIDERING THE PROS AND CONS OF DONOR ADVISED FUNDS**

“At Pride, we were initially resistant to accepting donor advised funds or other giving from donors that was restricted, but we have come to realize that Pride has become more successful the more it gives its donors choice and the more it trusts that its donors have expertise. They live here, they also know the organizations, and they know what they want to support. So we have accepted donor-directed giving, and what we have found is that our donors tend to give more and more unrestricted dollars over time as they get to know Pride better. The bottom line for us is if Pride can help donors give more to the community and to issues they care about, it doesn't matter whether it is through restricted or unrestricted giving.”

**Ted Lord, Former Executive Director,**  
*Pride Foundation*

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## Section 4

many donors who appreciate the opportunity to establish a fund in their name and to have a direct impact on the lives of LGBT young people. These funds also offer an opportunity to increase visibility for the LGBT Community Foundation. However, their popularity can also mean that a foundation finds itself with many small scholarship funds, each with its own criteria and its own name, and these can be very resource-intensive to manage and administer.

For this reason, you should set clear parameters for acceptance of scholarship funds before you actively market them. These could include setting a reasonable threshold level of investment to establish a scholarship fund, and being realistic about the fees that you will need to charge and the level of service that you can provide. You could also consider being proactive in creating a foundation-initiated scholarship fund to which donors can contribute, with the option to have a grant from the fund made in their name.

### Expanding Program Impact

Once your core grantmaking program is established, you can consider the course for other program initiatives to meet your mission. In choosing those initiatives, it is important to have a picture of the impact that your foundation can have as it grows, but then to prioritize the program directions that are of highest priority and should be undertaken first. The following are some of the program directions that other LGBT Community Foundations have taken.

#### **Special initiative funds**

Many foundations have responded to a specific need in their community or a particular area of donor interest by launching a special grants initiative. For example, the Equity Foundation has developed a three-year “Safe Schools Initiative,” which is supported by individual donors and foundation partners and is making special grants to support projects and organizations dedicated to creating safe learning environments for all children.

#### **Grantmaking partnerships and re-granting programs**

Once they have established a track record of effective grantmaking in the LGBT community, some foundations have developed grantmaking partnerships with other foundations or local organizations. For example, the San Diego Human Dignity Foundation partners with San Diego LGBT Pride to distribute funds raised from their annual pride event.

Other foundations have become a re-granting partner to larger foundations that recognize LGBT Community Foundations as an effective means to channel funding support to small grassroots LGBT organizations that they would not otherwise be able to support. For example, the Astraea Lesbian Foundation for Justice has received funding from both the Ford Foundation and Wellspring Advisors specifically to support Astraea’s international grantmaking program.

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## Leadership Development

Some LGBT Community Foundations have particularly prioritized investment in developing leadership within their community and within LGBT organizations.

### Advocacy and Public Education

A number of LGBT Community Foundations have adopted a vision of challenging prejudice and injustice and have translated that vision both into grant support for organizations involved in advocacy and social change and, where appropriate, into engaging in advocacy and public education activities themselves. As the Alliance for Justice resources show, foundation support for advocacy is both legal and effective, and it is also a powerful means to bring visibility to your foundation and to complement the initiatives and programs of your grantees.

### Examples of successful approaches include:

#### Grantmaking to support Public Education

##### ~ Samara Foundation of Vermont

A grant from the Samara Foundation enabled the Freedom to Marry Task Force to create exhibits at state fairs across the state. These exhibits educated the public on the issue of gay marriage in the years leading up to the Vermont Supreme Court decision entitling same-sex couples to all the rights and privileges of marriage.

#### Engaging directly in Public Education

##### ~ Horizons Foundation

Horizons Foundation was a leader in the initiative to challenge the anti-gay slurs of radio host Dr. Laura. Horizons' Open Letter to Dr. Laura Schlessinger; high-

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## TWO APPROACHES TO LEADERSHIP DEVELOPMENT

### PRIDE FOUNDATION'S WASHINGTON LESBIAN ORGANIZING PROJECT (WALOP)

Through a funding partnership with Astraea Lesbian Foundation for Justice and the Gill Foundation, Pride Foundation has established a unique program to bring together LBT woman leaders from across Washington state to create statewide networks that address key lesbian issues and establish a common bond through a shared experience. The WALOP experience combines retreats facilitated by nationally recognized leaders and grant funding for projects created by the participants. Participants are expected to focus and act on their passions, concerns, and convictions, and to incorporate the knowledge and skills into their projects and communities. Now in its fourth year, the WALOP program has had nearly 50 participants.

### HORIZONS FOUNDATION'S STRATEGIC PARTNERSHIP PROGRAM (SPP)

Horizons' SPP is designed to offer confidential peer support, networking, team building, organization assessment, skills development, and individualized and team coaching support for Executive Directors of Bay Area LGBT organizations. The SPP was initially launched through Horizons' Gateway Initiative partnership with the San Francisco Foundation and members of the first cohort are in their third year of a program that has included technical assistance, regular retreats, weekly executive coaching sessions, and skill-based workshops. The program has now been extended to a second cohort of Executive Directors of smaller LGBT organizations.

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## Section 4

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lighting the damage to children of her anti-gay commentary, was co-sponsored by 180 child welfare and health organizations, civil liberties groups, and religious leaders, and the accompanying publicity campaign generated national media coverage.

### **Engaging in Shareholder Advocacy**

#### **~ Pride Foundation**

Through the leadership of its board, Pride Foundation has focused on using its investments as an advocacy tool. By linking with investment partners, Pride joined the Equality Project partnership that represented almost \$100 billion under management. The Equality Project then introduced shareholder resolutions and negotiated with companies in order to encourage them to adopt written policies of non-discrimination that would protect their LGBT employees. To date, this initiative has changed the policies of Wal-Mart, McDonalds and others, impacting more than one million employees, and has also garnered significant local and national press coverage and visibility for Pride Foundation. Pride and other LGBT Community Foundations also require that all grant recipients show that both sexual orientation and gender identity are included in their non-discrimination policies and provide training for organizations that do not have such inclusions.

### **Community Building and Convening**

Many LGBT Community Foundations have taken the lead in bringing together various groups or organizations, as this is an effective means to build visibility and enhance the LGBT Community Foundation's knowledge of organizations and issues.

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### **ALLIANCE FOR JUSTICE: RESOURCES ON FOUNDATIONS' ROLE IN ADVOCACY**

[www.allianceforjustice.org](http://www.allianceforjustice.org)

The Alliance for Justice's Foundation Advocacy Initiative and Nonprofit Advocacy Project offer workshops, technical assistance, and publications and brochures, including "Support Grantees that Lobby, and You Know What Will Happen? Better Public Policy."

These resources provide guidance to foundations and their grantees on the extent to which foundations can fund non-profits that participate in lobbying and can engage in non-lobbying advocacy themselves.

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This can take the form of hosting coalitions of groups working on a single issue, or offering office space and facilitation for community meetings, and has been particularly valuable in communities without a central community center.

### **Donor Education and Philanthropic Advocacy**

Donor development, for many LGBT Community Foundations, is not only a means to fund their programs, but is an important goal in its own right. This goal has translated into program activities designed to encourage a tradition of giving by and for LGBT people, and to increase the impact of that giving. For example, many foundations have organized donor education and networking events



that combine legal and financial planning issues for LGBT people with information about philanthropy, and which provide opportunities for donors to connect and network with one another.

Many LGBT Community Foundations have also focused on encouraging straight allies and mainstream foundations to increase their giving to LGBT organizations. Two effective strategies to this end have been to augment awareness of LGBT issues through producing and sharing needs assessment data, grantee stories, and profiles and reports, and to connect with peers at other foundations through joining local grantmaker associations, attending funding conferences, and collaborating on briefings and educational events.

### **Conclusion**

We hope you have found this guide useful as you undertake the process of building community and developing donors to support and grow our LGBT organizations. We welcome any feedback you might have to help us expand and improve on this guide to starting a lesbian, gay, bisexual and transgender community foundation.

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### **DONOR EDUCATION EVENTS**

To advance its goal to educate individuals about money, power, and giving, Astraea Lesbian Foundation for Justice has organized a number of “Smart Women/Smart Money” Conferences. These conferences educate lesbians about the legal and financial issues that affect them and empower women to take more control over their money for the benefit of themselves, their families, and their communities.

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# Section 5 Additional Resources

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This section includes Appendices with additional resources, further information, sample documents, and examples of materials from other LGBT Community Foundations.

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# Appendix One

## Resource List

The following is a list of organizations, websites, publications, and other sources of information, models, and practical advice related to LGBT issues, starting a foundation, and starting a non-profit organization.

### LGBT Issues – Background to Needs and Issues in the LGBT Community

- *Lesbian, Gay, Bisexual and Transgender Communities: Key Issues and Philanthropic Response*  
[www.lgbtfunders.org/lgbtfunders/key\\_issues.htm](http://www.lgbtfunders.org/lgbtfunders/key_issues.htm)
- *The Grantmakers' Guide to Lesbian, Gay, Bisexual and Transgender Issues*  
[www.lgbtfunders.org](http://www.lgbtfunders.org)

These are two of a number of resources available from Funders for Lesbian and Gay Issues. They offer a good overview of current facts, figures, and research about issues facing LGBT people, and provide reference to other information sources.

### Resources on Diversity for Foundations

There are many resources on diversity for both non-profit organizations and for foundations. Some useful and practical guides include:

- *Building on a Better Foundation: A Toolkit for Creating an Inclusive Grantmaking Organization* –  
[www.nyrag.org/usr\\_doc/Building\\_a\\_Foundation.pdf](http://www.nyrag.org/usr_doc/Building_a_Foundation.pdf)  
– offers very practical advice and a list of some of the other best publications and resources.
- *Diversity Practices in Foundations: Findings from a National Study by the Joint Affinity Groups* – available at  
[www.lgbtfunders.org/lgbtfunders/JAG/diversity\\_study.htm](http://www.lgbtfunders.org/lgbtfunders/JAG/diversity_study.htm) – this gives an overview of how diversity is represented in various foundations, and also includes some valuable recommendations on how to change foundation culture to make diversity successful.
- *Learning and Sharing for the Common Good* – produced by the W.K. Kellogg Foundation, available at  
[www.wkcf.org/Pubs/PhilVol/Pub648.pdf](http://www.wkcf.org/Pubs/PhilVol/Pub648.pdf) – this summarizes

research findings on the philanthropic practices of four communities of color. Other reports on philanthropy in diverse communities are also available at [www.wkcf.org](http://www.wkcf.org)

- *Cultures of Caring: Philanthropy in Diverse American Communities* – produced by the Council on Foundations – examines potential ways to expand the use of institutional philanthropy in four population groups. This and other documents on philanthropy and diversity are available at [www.cof.org](http://www.cof.org)
- *Building Diverse Community-Based Coalitions* – by the Praxis Project,  
[www.thepraxisproject.org/tools/Coalition\\_Building\\_2pdf.pdf](http://www.thepraxisproject.org/tools/Coalition_Building_2pdf.pdf)  
– offers a 5-page overview with practical suggestions about some of the steps an organization can take to include a broad base of communities, and how to identify potential allies, understand their connection to your community, and engage their interest in collaboration.
- *Starting Points: An Introduction to Creating Access for People with Disabilities in Community-Based Organizations* – available at  
[www.ataccess.org/resources/acaw/startingpoints.pdf](http://www.ataccess.org/resources/acaw/startingpoints.pdf) – provides a brief overview and checklist of things to consider in assuring disability access.

### Websites of organizations offering background to, and resources for, foundations and grantmakers

Note: Some sites require enrollment as members to access all information.

- **LGBT Community Foundations** – [www.lgbtgiving.org](http://www.lgbtgiving.org) – This central web resource provides information on, and links to, many current LGBT Community Foundations.
- **Community Foundations of America** – [www.cfamerica.org](http://www.cfamerica.org) – offers regular updates of information for donors and professional advisors, web content, web design, and many other resources targeted specifically to planned giving and asset development, and also includes sample donor advised fund marketing materials.
- **League of California Community Foundations** – [www.lccf.org](http://www.lccf.org) – this organization exists to support and build networks among California's 24 community foundations and has useful resources and links to information, particularly for new and emerging foundations.

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- **Council on Foundations** – [www.cof.org](http://www.cof.org) – although many of the resources here are targeted to private, family, and geographic-based community foundations, there are still many publications and information resources that will be helpful for LGBT Community Foundations, such as “First Steps In Starting a Foundation” by John A. Edie.
  - **Grant Craft** – [www.grantcraft.org](http://www.grantcraft.org) – is a program of the Ford Foundation, and offers a variety of practical publications and resources for grantmakers.
  - **Center for the Study of Philanthropy** – [www.philanthropy.org](http://www.philanthropy.org) – offers many resources and publications with a particular focus on multicultural philanthropy.
  - **Association of Small Foundations** – [www.smallfoundations.org](http://www.smallfoundations.org) – has services and resources for foundations with few or no staff, including a number of guides to starting a foundation, such as “Foundation in A Box” ([www.foundationinabox.org](http://www.foundationinabox.org)) which offers information about all the basic areas of starting a foundation.
  - **Council of Michigan Foundations** – [www.cmif.org](http://www.cmif.org) – has many publications and brochures, including information on different giving opportunities for donors, and guides to starting a fund or foundation. One excellent resource is “Community Foundation Primer: An Outline for Discussion and an Initial Organization Start-Up Kit,” available at [www.cmif.org/Documents/primer98-2Whole.pdf](http://www.cmif.org/Documents/primer98-2Whole.pdf)
  - **Center For Effective Philanthropy** – [www.effectivephilanthropy.com](http://www.effectivephilanthropy.com) – offers publications, resources and research on foundation effectiveness.
- Useful Publications on Foundations and Grantmaking**
- *So You Want to Give – Options for Giving* – available from the Council of Michigan Foundations or at [www.cmif.org/Documents/So\\_You\\_Want.pdf](http://www.cmif.org/Documents/So_You_Want.pdf) – provides an overview of, and comparison between private foundations, donor advised funds and supporting organizations.
  - *Affiliate Funds – A Rising Practice in Community Philanthropy* – available from the James Irvine Foundation, or at [www.irvine.org/assets/pdf/pubs/philanthropy/Affiliate\\_Funds.pdf](http://www.irvine.org/assets/pdf/pubs/philanthropy/Affiliate_Funds.pdf) – offers a definition and background to an alternative vehicle for partnership with a community foundation.
  - *Smart Growth: A Life Stage Model for Social Change Philanthropy* – available from the Women’s Funding Network at [www.wfnet.org/getinformed/publications.php](http://www.wfnet.org/getinformed/publications.php) this report provides an overview of the stages of development of women’s funds, and offers a comprehensive resource guide.
  - *The Community Foundation Start-Up Manual* – available at Community Foundations of Canada – [info@community-fdn.ca](mailto:info@community-fdn.ca) – provides a comprehensive manual on building a community foundation including sections on getting started, organization, and tasks.
- Organizations and websites with information on setting up and managing non-profit organizations**
- **Boardsource** – [www.boardsource.org](http://www.boardsource.org) – is very accessible and clear and offers a wide range of resources, fact sheets and publications on all aspects of nonprofit governance and board issues.
  - **Alliance for Justice** – [www.allianceforjustice.org](http://www.allianceforjustice.org) – offers guidance and publications that outline the regulations on providing funding for advocacy, public education and lobbying.
  - **Compasspoint** – [www.compasspoint.org](http://www.compasspoint.org) – this is one of many nonprofit management resource centers, and has many resource, referrals and answers to frequently asked questions on all areas of nonprofit management.
  - **Grassroots Fundraising** – [www.grassrootsfundraising.org](http://www.grassrootsfundraising.org) – the Grassroots Fundraising Journal has excellent resources and advice on launching a fundraising program, including how to create a budget for fundraising at [www.grassrootsfundraising.org/magazine/v22\\_n3\\_art01.pdf](http://www.grassrootsfundraising.org/magazine/v22_n3_art01.pdf)
  - **Foundation Center** – [www.fdncenter.org](http://www.fdncenter.org) – offers advice on grantwriting, foundation research and a database of grants and grantmakers.
  - **Gill Foundation** – [www.gillfoundation.org](http://www.gillfoundation.org) – offers training in fundraising and organizational development for LGBT organizations.
  - **The Nonprofit Genie** – [www.genie.org](http://www.genie.org) – a service of the California Management Assistance Partnership, offers answers to frequently asked questions for nonprofits.

## Appendix Two

# Contact List Of LGBT Community Foundations

### **Acorn Equality Fund**

P. O. Box 172  
Peoria, IL 61650  
v: (309) 672-5206  
[www.acornequalityfund.com](http://www.acornequalityfund.com)

### **An Uncommon Legacy Foundation**

P. O. Box 33727  
Washington, DC 20033  
v: (202) 265-1926  
[www.uncommonlegacy.org](http://www.uncommonlegacy.org)

### **Aspen Gay and Lesbian Community Fund**

P. O. Box 3143  
Aspen, CO 81612  
v: (970) 925-4123  
[www.gayskiweek.com](http://www.gayskiweek.com)

### **Astraea Lesbian Foundation for Justice**

116 E. 16th Street, 7th Floor  
New York, NY 10003  
v: (212) 529-8021  
[www.astraeafoundation.org](http://www.astraeafoundation.org)

### **Cream City Foundation**

315 West Court Street, Suite 201B  
Milwaukee, WI 53212  
v: (414) 225-0244

### **Delaware Valley Legacy Fund**

1234 Market Street, Suite 1800  
Philadelphia, PA 19102  
v: (215) 563-6417  
[www.dvlf.org](http://www.dvlf.org)

### **Equity Foundation**

P. O. Box 5696  
Portland, OR 97228  
v: (503) 231-5759  
[www.equityfoundation.org](http://www.equityfoundation.org)

### **Horizons Foundation**

870 Market Street, Suite 728  
San Francisco, CA 94102  
v: (415) 398-2333  
[www.horizonsfoundation.org](http://www.horizonsfoundation.org)

### **Lesbian and Gay Community Appeal Foundation**

P. O. Box 760  
Toronto, Ontario M4Y 2N6  
Canada  
v: (416) 920-5422  
[www.lgca.ca](http://www.lgca.ca)

### **New Harvest Foundation**

P. O. Box 1786  
Madison, WI 53701  
v: (608) 256-4204

### **Philanthrofund Foundation**

1409 Willow Street, Suite 305  
Minneapolis, MN 55403  
v: (612) 870-1806  
[www.PFundOnline.org](http://www.PFundOnline.org)

### **Pride Foundation**

1122 E Pike Street, Suite 1001  
Seattle, WA 98122  
v: (206) 323-3318  
[www.pridefoundation.org](http://www.pridefoundation.org)

### **Samara Foundation of Vermont**

P. O. Box 1263  
Burlington, VT 54602  
v: (802) 860-6236  
[www.samarafoundation.org](http://www.samarafoundation.org)

### **San Diego Human Dignity Foundation**

P. O. Box 33245  
San Diego, CA 92163-3245  
v: (619) 291-3383  
[www.sdhdf.org](http://www.sdhdf.org)

### **Stonewall Community Foundation**

119 West 24th Street, 6th Floor  
New York, NY 10011  
v: (212) 367-1155  
[www.stonewallfoundation.org](http://www.stonewallfoundation.org)

## Appendix Three Checklist Of Issues To Cover With Your Community Foundation

The following are some questions to ask to help decide whether establishing a DAF at your local community foundation is the right option for you.

### **What is the relationship of your Foundation to the LGBT community?**

Talk with foundation staff, donors, LGBT organizations, and others to understand your community foundation's reputation and history of reaching out to, and including, the LGBT community. For example:

- What are the stated goals and values of the community foundation and how compatible are they with your goals?
- What is the Foundation's own track record of funding LGBT issues – both through their unrestricted grants and those recommended by donor advisors?
- If the Foundation has not received many grant proposals for LGBT programs, what have they done to encourage or solicit proposals, to find out about the LGBT population in their area, or to explore how their other grantees address LGBT issues?
- Do many LGBT donors have funds at the Foundation? If so, what has their experience been of working with the Foundation?
- Are the Foundation's materials inclusive and welcoming of LGBT people?
- How deep within the Foundation does the openness to LGBT issues run? For example, is it dependent on a few supportive staff members or is it an integral part of the Foundation's values and grantmaking priorities?
- What has the Foundation done to reach out to other under-served communities? For example, does it have a parallel relationship with a women's fund or community of color fund that you can look to and learn from? Has it been active in funding HIV/AIDS programming?

- Will any of the grants or grantees that you may consider supporting be considered too radical or controversial for the Foundation?

### **Is there potential for your Fund to be a catalyst for increased LGBT support by the Foundation?**

Explore ways that the Foundation can advance your mission. For example:

- Will it be possible to share grantmaking processes to streamline the process for LGBT grant applicants and increase their chances to be funded?
- Is the Foundation open to collaboration with you on donor education and cultivation activities?
- Will the Foundation host convenings of the LGBT community?
- Can you work together on providing technical assistance support to your grantees?

### **What level of professional and back-office support can you expect?**

As your fund is likely to receive contributions from many individuals, the level of administrative demands from your Fund will likely be greater than average. This means that it is important to have clarity on the level of administrative back-up you can expect. Questions to cover may include:

- Will there be any limit on the size and numbers of contributions that will be accepted to the Fund?
- Who will be responsible for donor management and correspondence?
- What will the fee structure be for different levels of administrative services?
- How will grant and donor data be handled and recorded?

### **You will also want to understand the Foundation's investment policies, for example:**

- Does the foundation's investment policy have any LGBT-positive screens?
- Does the foundation offer choice in investment strategies?
- Is there potential to engage in shareholder activism?

### **What are your long-term goals for the partnership?**

It is important to discuss and agree on the long-term goals

and vision for your Fund. The parameters and timeframe may change over time, but early agreement is crucial to avoiding misunderstandings at a later date. For example:

- Do you have a shared understanding of whether you both envision a long-term relationship or whether you both see the partnership as an “incubation period” to provide needed support and infrastructure before launch as an independent legal entity?
- If your plan is to separate over time, how will the funds that have been raised be treated at the time the relationship is dissolved, and just as importantly, how will relationships with individual donors be handled to avoid competition?

## Appendix Four Sample LGBT Organization Survey

*This survey is adapted and excerpted from a survey produced by Horizons Foundation to gain an overview of the size, priorities, and capacity building needs of LGBT organizations, and to ascertain their priorities for Horizons Foundation. The survey was sent out to organizations by email through the online survey tool Survey Monkey ([www.surveymonkey.com](http://www.surveymonkey.com)).*

This survey should take no more than 10 minutes to complete. It is being distributed to approximately 100 organizations and projects serving the LGBT community. Because this is not a statistically large sample size, your participation is crucial. Similarly, we appreciate your honesty in assessing your experiences with the Foundation.

**Please submit your responses by \_\_\_\_\_ [date].  
Again, thank you!**

**Please identify the position of the individual completing this form in your organization:**

- Executive Director
- Senior staff
- Other staff
- Board member
- Non-board volunteer
- Other: \_\_\_\_\_

### BACKGROUND AND ORGANIZATIONAL FOCUS

#### How long has your organization existed?

(Please select one)

- 0 – 3 years
- 3 – 5 years
- 5 – 10 years
- More than 10 years

#### What is your organization’s connection to the LGBT community? (Please select one)

- The LGBT community is our primary focus
- The LGBT community is not our primary focus but we have LGBT-specific programs
- We have no LGBT-specific programs, but we do have LGBT clients
- Other: \_\_\_\_\_

#### In what county (or city) is your organization located?

(Please select one)

- San Francisco
- Alameda
- Marin
- Contra Costa
- San Mateo
- Sonoma
- Solano
- Santa Clara
- Santa Cruz
- Napa

#### In which counties does your primary client population live?

(Please select 1, 2, and 3, with “1” being the largest concentration)

- \_\_\_ San Francisco
- \_\_\_ Alameda
- \_\_\_ Marin
- \_\_\_ Contra Costa
- \_\_\_ San Mateo
- \_\_\_ Sonoma
- \_\_\_ Solano
- \_\_\_ Santa Clara
- \_\_\_ Santa Cruz
- \_\_\_ Napa



**What issues does your organization seek to address?**

(Please select a primary ["1"] and a secondary ["2"], if applicable)

- HIV/AIDS
- Substance use
- Other health services
- Other social services
- Arts/culture
- Advocacy/civil rights
- Other: \_\_\_\_\_

**What group of LGBT people does your organization seek to serve?**

(Please select a primary and a secondary, if applicable)

- All LGBT people
- Youth
- Elders
- Lesbians
- Gay men
- People of color
- Transgender people
- Bisexuals
- Intersex
- People with HIV/AIDS
- Other: \_\_\_\_\_

**BUDGET AND FINANCIAL INFORMATION**

**Is your organization an independent 501(c)(3) organization?**

(Please select one)

- Yes
- No

**If "no," does your organization have a fiscal sponsor?**

- Yes
- No

**What is the annual operating budget of your organization?**

(Please select one)

- Less than \$20,000
- \$20,001 – \$50,000
- \$50,001 – \$100,000
- \$100,001 – \$250,000
- \$250,001 – \$1 million
- \$1 million – \$3 million
- \$3 million and above

**Where does your organization's funding come from?**

(Please select primary ["1"] and secondary ["2"] sources)

- Individual donors
- Foundations
- Government
- Corporations
- Other

**What percentage of your annual budget must be raised at the beginning of each year?**

- Zero
- Less than 50%
- 50 – 75%
- 75 – 95%
- 95 – 100%

**Does your organization have an endowment?**

(Please select one)

- Yes
- No

**How many full-time equivalent salaried employees does your organization have?**

(Please select one)

- 0 employees
- 1 employee
- 2 – 5 employees
- 5 – 10 employees
- 10 – 30 employees
- More than 30 employees

**ORGANIZATIONAL NEED QUESTIONS**

**What are the greatest barriers to your organization's securing more funding?**

(Please select top three options) [list to be randomized]

- Lack of staff time for fundraising
- Lack of board involvement in fundraising
- Lack of access to individual donors
- Lack of access to foundations
- Lack of capacity to research and write grant proposals
- Lack of clarity around organizational mission and goals
- Competition from other organizations working on similar issues or similar population(s)
- Other: \_\_\_\_\_

**Besides lack of funding, what obstacles most prevent your organization from accomplishing its mission and goals?**

(Please select top three options) [list to be randomized]

- Limited skills and training
- Lack of qualified staff
- Problems with the board
- Lack of community awareness of the organization
- Lack of sufficient volunteers
- Lack of clarity about the organization's goals
- Diversity challenges within organizational leadership
- Diversity challenges in programming
- Competition from other organizations for funding
- Competition from other organizations for population served
- Lack of coordination with other organizations
- Other (please specify): \_\_\_\_\_

**From the following list, what would best enable your organization to overcome these obstacles?**

(Please select top three options) [list to be randomized]

- Skills-building opportunities
- Gatherings and meetings with other organizations/leaders
- Board development help
- Board skills training
- Marketing and public relations support
- Diversity training
- Leadership development
- Strategic planning assistance
- Advocacy/lobbying support
- Other (please specify): \_\_\_\_\_

**COMMUNITY NEED QUESTIONS**

**In your opinion, what are the most critical problems facing the LGBT community?**

(Please select top three options) [list to be randomized]

- Homophobia, discrimination
- Transphobia and trans-inclusion
- Lack of visibility
- Lack of political power
- Lack of leadership
- Hate crimes
- Domestic violence
- Political backlash over recent legal and political victories

- HIV/AIDS
- Substance use
- Racism
- Poverty and unemployment
- Affordable housing
- Support for our youth
- Support for our elders
- Lack of community "unity"
- Mental health
- Avenues for cultural expression
- Other (please specify): \_\_\_\_\_

**LGBT FOUNDATION QUESTIONS**

**What would your organization most value from an LGBT Community Foundation?**

(Please rank-order the following options)

- Providing grants
- Developing leaders
- Educating donors about community needs
- Building skills and sponsoring workshops
- Supporting advocacy and public education
- Bringing the community together around issues of common concern
- Other (please specify): \_\_\_\_\_

**What could an LGBT foundation do to most effectively help your organization achieve your mission?**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Appendix Five

# Pride Statewide – A Model For Geographic Outreach

### **Pride Statewide – How it Works**

Working in partnership with local volunteers across Washington and Idaho, Pride Statewide reaches new donors and develops leaders, while increasing the number of grants and scholarships available locally for projects that strengthen and build GLBT and allied communities. All funds raised within Pride Statewide communities, stay in that community. To encourage local fundraising, Pride also matches funds raised in partner communities. A local granting committee that is knowledgeable about the community's needs is charged with awarding the funds.

Volunteers in a partner community assess the needs of GLBT people locally, set their fundraising goal, and then create a fundraising plan to meet that goal. Pride then matches the funds they raise up to \$7,500. Local committees meet to screen grant and scholarship applications from local agencies and students and make awards. Pride's Board of Directors reviews and approves the roster of agencies, and the grants are made.

Pride Statewide communities have benefited from the program in many ways. Infrastructure has been built within the counties, different community segments have come together, and these better-networked communities are able to press for positive change. Along with the grants to GLBT organizations, Pride Statewide also brings technical assistance to the organizations.

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“At first almost all our donors and grantees were from in and around Seattle. As we started to widen our scope, we learned people in non-urban settings want to do their philanthropy locally and were particularly wary about giving support through an urban-based foundation. So, we decided to set up the Pride Statewide Program, where every dollar raised in local communities was matched two to one by Pride Foundation.

The program has been highly successful and is expanding all the time – and it is going to be vital to Pride's long term strength. For example, as we grow our planned giving program, we anticipate a lot of interest from our rural donors. In Seattle, we have lots of competition, as there are many alternatives for donors to choose from when they make bequests. But for our non-urban donors, Pride is one of the few ways they can invest in their community. We anticipate a lot of our future support will come from donors involved in Pride Statewide.”

**Ted Lord, Former Executive Director, *Pride Foundation***

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## Appendix Six

# Sample Case Statement For An LGBT Community Foundation

*The following is a statement included in one of the Samara Foundation's early newsletters, making the case for the value of the Foundation and the role it can play.*

### Why a Foundation? Why now?

In order to achieve full human rights for lesbian, gay, bisexual and transgendered people, and to meet our goal of a fully welcoming and just community, we must allow ourselves to think bigger than we have ever dared to think before! Substantially increased financial resources are necessary for the foreseeable future to build the infrastructure needed to defend and permanently secure our rightful place within our communities. To do this, as GLBT people, we must adopt new and more sophisticated strategies for securing these necessary financial resources.

Samara Foundation of Vermont, Inc. was created specifically to offer these new opportunities to our communities. Samara Foundation's sole mission is to "support and strengthen Vermont's gay, lesbian, bisexual and transgendered communities today and build an endowment for tomorrow."

Samara Foundation is creating permanent, increased funding – right here in Vermont – for supporting organizations and projects which work to make the world a better place for all GLBT people.

As a tax exempt 501(c)(3) nonprofit corporation, and a public charity, Samara encourages the development of philanthropic giving within and on behalf of our GLBT communities. Samara offers special giving opportunities to everyone who is committed to strengthening our communities through the wise commitment and use of their financial resources.

Samara is granting today, while building an endowment for our future! Since 1998, Samara has awarded a total of 46 individual grants and scholarships to 27 organizations and individuals totaling over \$92,000. As a permanent resource for our communities, Samara is committed to assessing our communities' changing needs, and directing foundation resources to the emerging needs of our community.

Through the visionary commitment of our founding benefactors, and through the generosity of our Benefactor's Circle members, Samara has established an endowment. The income from these endowed funds is entirely committed to underwriting the well-being of Vermont's GLBT communities, now and into the future!

Samara Foundation of Vermont urges you to take the future of our GLBT communities more seriously than you ever have before. Samara Foundation encourages every member of our GLBT communities, and our straight allies, to consider themselves a "philanthropist" – "one who helps humankind through charitable giving." To meet our challenge requires greater financial resources and community capacity. As GLBT communities, we must stretch and grow in new ways, including adopting new and more sophisticated strategies to create the financial resources required for our work to be successful.

Samara Foundation encourages continued annual giving to Vermont's fine GLBT community organizations. Through technical assistance in developing fundraising capacities, and through increasing awareness of the importance of philanthropic giving, Samara is committed to raising the tide for all Vermont GLBT organizations.

We also welcome you to contribute to Samara Foundation. Your contributions will increase our annual granting and scholarship programs today, while preserving our assets for increased future funding.

Use the opportunities that Samara has created for you to support our communities. Include Samara Foundation in your will, estate planning, and your year-end charitable giving.

Samara Foundation of Vermont is committed to meeting the challenge of our communities' future:

- through increasing philanthropic awareness and giving, within and on behalf of our GLBT communities
- through active annual granting and scholarship programs
- through ongoing assessments of our communities' unmet needs
- through technical assistance to Vermont GLBT organizations to increase organizational fundraising and effectiveness

Join us. Together we will meet the challenge before us!

## Appendix Seven

# Sample LGBT Community Foundation Gift Acceptance Policies

Philanthrofund Foundation (PFund)

### GIFT ACCEPTANCE POLICIES

**VISION:** Philanthrofund Foundation's vision is to be a catalyst in building communities in Minnesota and the Upper Midwest where gay, lesbian, bisexual and transgender people are celebrated and live free from discrimination, violence, invisibility, and isolation.

**MISSION:** Philanthrofund's mission is to be a vital resource and community builder for gay, lesbian, bisexual, transgender and allied communities. We do this by providing grants and scholarships, developing leaders, and inspiring giving.

### GUIDING PRINCIPLES

1. Philanthrofund understands that donors to PFund are fully participating citizens of the communities in which they live, with a broad spectrum of interests that include but are not necessarily limited only to GLBT organizations, issues and causes. Donors want giving options that present them with opportunities to provide direct support to GLBT and allied organizations and allow them to support their broader community interests. Both approaches contribute to improving the quality of life for the GLBT community.
2. In accepting gifts that fulfill PFund's mission and vision, PFund recognizes that, as a GLBT community foundation, PFund has a responsibility to define an appropriate balance in our guidelines and to accept gifts that:
  - a. directly serve nonprofit organizations that serve our GLBT and allied communities and
  - b. fulfill the charitable interests of GLBT and allied donors, but which may not directly support GLBT organizations.
3. A strategy of influencing mainstream organizations with "pink dollars" is gaining increased attention. This strategy provides donors with opportunities, through GLBT-identified grants/individual contributions, etc. to influence community organizations that have not traditionally known their GLBT donors nor served the GLBT community. PFund will find ways to support donors who wish to employ this giving strategy.

### POLICIES

4. The Board of Directors of PFund will have final approval of all named funds (\$25,000 minimum/\$10,000 Scholarship) or gifts other than cash or equities, such as real estate or personal property.
5. All organizations that receive a grant from PFund or from a fund within PFund must complete and submit a Certificate of Non-Discrimination in order to receive the grant.
6. PFund will withhold grants to organizations that do not sign the Certificate of Non-Discrimination. If the organization does not submit the Certificate of Non-discrimination within a period of one year, PFund will re-direct that year's grant, when possible with the input of the donor, to another organization with a similar mission that will comply with the Non-Discrimination policy.
7. To fulfill the foundation's mission, living donors who establish donor advised or designated funds will be expected to include a significant level of support for PFund and/or GLBT and allied organizations. A "significant level of support" shall be evaluated by considering any or all of the following:
  - a. The percentage of the total gift;
  - b. The absolute dollar amount; and/or
  - c. The amount relative to PFund's total assets.

**THE BOARD OF DIRECTORS WILL HAVE FINAL APPROVAL OF ALL FUNDS.**

8. Potential donors who wish to establish a fund at PFund, but who have not directed any portion of their gift to the GLBT community or who are not using a pink dollars approach, will be encouraged to do so as stated in Guiding Principle #3. If this is not acceptable, the staff or development committee will explore additional options for the donor, which may include a referral to other organizations or community foundations that could better serve the specific interests of these donors.
9. Gifts from estates or bequests should generally meet these same guidelines. However, recognizing that there is rarely an opportunity to negotiate the terms of the estate, the board will need to determine acceptance or rejection of gifts that may not contain GLBT-related funding support. In general, PFund will assume that the donor's wish to use a GLBT foundation is an indication of the donor's preference for GLBT-related outcomes. Therefore, PFund will negotiate with those administering the estate to ensure the inclusion of GLBT-related outcomes, including, but not limited to, maintaining a socially responsible screen for GLBT employment practices on all investment vehicles.
10. Regardless of a donor's wishes, PFund reserves the right to refuse to accept gifts and/or to make grants that are antithetical to its mission.

It is appropriate for PFund to charge fees for administering endowed and restricted gifts. (Please see the Endowment Guidelines for specifics).

## Appendix Eight Sample Certificate Of Non-Discrimination For LGBT Community Foundation Grantees

The following is the certificate that Philanthrofund Foundation requires grantees to sign as a condition of receiving a grant.

### CERTIFICATE OF NON-DISCRIMINATION

I hereby certify that

\_\_\_\_\_ (name of organization), (hereafter, the "Organization"), if located within the State of Minnesota, is currently in full compliance with all human rights statutes and ordinances designed to prohibit discrimination on the basis of sexual orientation or gender identity offered by the State of Minnesota or any political subdivision thereof. If the Organization is not located within the State of Minnesota, I certify that the Organization is in full compliance with any existing non-discrimination statutes of the state in which the Organization is located, transacts business, or provides services. Whether or not such statutes or ordinances exist, I certify that the Organization affirms the visible and protected participation of gay men, lesbians, bisexual men and women, and transgendered individuals at all levels of the Organization and does not discriminate on the basis of sexual orientation or gender identity in hiring, retention, promotion, participation, or provision of services.

\_\_\_\_\_  
NAME OF ORGANIZATION

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE

## Appendix Nine Planned Giving And Development Resources

### National Professional Associations/Organizations

**The National Committee on Planned Giving** is the professional association for people whose work includes developing, marketing, and administering charitable planned gifts. Those people include fundraisers for nonprofit institutions and consultants and donor advisors working in a variety of for-profit settings. NCPG is the parent organization of the Planned Giving Roundtable of Southern Arizona. For more information call (317) 269-6274 or email: [ncpg@ncpg.org](mailto:ncpg@ncpg.org)

**The American Council on Gift Annuities (ACGA)** is a qualified nonprofit organization formed in 1927 for the purpose of providing educational and other services to American charities regarding gift annuities and other forms of planned gifts. For more info: [www.acga-web.org](http://www.acga-web.org)

### Newsletters for Gift Planning Professionals:

- *Planned Giving Mentor* (for newcomers) [www.pgmentor.com](http://www.pgmentor.com)
- *Planned Giving Today* [www.pgtoday.com](http://www.pgtoday.com)

### Reference Materials:

- *Building a Planned Giving Program*, Kathryn W. Miree
- *Charitable Giving Tax Service*, Marc Carmichael
- *Planned Giving Management Marketing and Law*, Ronald Jordan and Katelyn Quinn
- *Planned Giving Workbook*, Ronald Jordan and Katelyn Quinn
- *The Ultimate Do-It-Yourself Bequest Book*, Betsy Mangone and Lynn Thomas
- *Planned Giving Today* (newsletter), Roger Schoenhals
- *Planned Giving for Small Nonprofits*, Ronald Jordan and Katelyn Quinn
- *The Art of Planned Giving*, Conrad Teitell

### Software: Gift Planning and Administration

- BIPS (bequest management): [www.bipster.com](http://www.bipster.com)
- Crescendo: [www.crescendointeractive.com](http://www.crescendointeractive.com)
- PG Calc: [www.pgcalc.com](http://www.pgcalc.com)
- PhilanthroCalc: [www.philanthrotec.com](http://www.philanthrotec.com)

### Planned Giving Communications Firms

- Stelter Company: (800) 331-6881  
[www.stelter.com](http://www.stelter.com)
- Robert F. Sharpe & Co.: (800) 238-3253  
[www.sharpenet.com](http://www.sharpenet.com)
- R & R Newkirk: (800) 342-2375  
[www.rrnewkirk.com](http://www.rrnewkirk.com)
- Conrad Teitell: (203) 637-4553  
[www.taxwisegiving.com](http://www.taxwisegiving.com)

Note: This list is not exhaustive. It is offered as a place to start when gathering information and resources for your planned giving program.

Courtesy of the Center for Planned Giving at the Community Foundation for Southern Arizona, Tucson, Arizona 520.545.1117

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## Endnotes

- <sup>i</sup> Foundation Center: *Foundation Giving Trends 2004 Report*.
- <sup>ii</sup> Institute for Gay & Lesbian Strategic Studies/Funders for Lesbian and Gay Issues: *Creating Communities: Giving and Volunteering by Gay, Lesbian, Bisexual and Transgender People*.
- <sup>iii</sup> Responsive Philanthropy, NCRP Quarterly, Fall 2003: *Equality's Frontier*.
- <sup>iv</sup> Foundation Center: *Foundation Giving Trends 2004 Report*.
- <sup>v</sup> An LGBT example of a private foundation is the Gill Foundation, the nation's largest funder of LGBT organizations, which was established by a gift from a single donor, Tim Gill.
- <sup>vi</sup> Although DAFs are the most common form for Funds, there are also alternative structures, including Supporting Organizations or Affiliate Funds. See the Resource List in Appendix One for resources with more information on these options.
- <sup>vii</sup> In fact, many of our current LGBT Community Foundations came into being through bequests received from LGBT people at the height of the AIDS crisis.
- <sup>viii</sup> Other fund vehicles include Designated Funds, where donors specify a particular organization or organizations that will be the ongoing recipient(s) of support, and Field of Interest Funds, where donors specify a particular issue or sector to be funded but do not make specific grant recommendations.
- <sup>ix</sup> These include Walden Asset Management, Trillium Asset Management and ISIS Asset Management.





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