The Nuts and Bolts of Giving

Australian Government

Department of Families, Community Services and Indigenous Affairs

THE PRIME MINISTER'S **COMMUNITY BUSINESS PARTNERSHIP**

The Nuts and Bolts of Giving

Contents

From the President

Lady Southey, President

At a basic level, philanthropy is the simple human act of giving. It requires little explanation, and certainly no guide on how to do it. At another level of course, philanthropy is an increasingly complex and time consuming business. We all know that organisational grantmaking or community investment is a job that requires a wide range of skills, as the need for accountability, transparency, proper evaluation and strategic decision making are recognised and responded to.

In this edition, we focus on the 'nuts and bolts' of giving. How do donors, trustees, boards of management and professional staff go about the specialised tasks associated with philanthropy as we understand it today. What are some of the tools that are available to help those who give do it better, and share knowledge, ideas and lessons learned with others?

We talk to some people who give through different types of arrangements and structures – a private donor, an executive officer of a private foundation, and someone in charge of a corporate community program, to find out the nitty gritty of their daily working/giving lives. We also look at the 'nuts and bolts' of running a community foundation. Of course these profiles are not necessarily representative of others in the field, although we often face similar challenges, and can learn from each other's successes and failures.

Some of the tools that exist for people working in the 'business of giving' include networks, both formal and informal, affinity groups, new software packages and online resources. Our contributors briefly explore some of these aspects, as well as the value of grant seeker surveys, and the importance of good research.

Mark Lyons provides a provocative overview of the shift in the not-for-profit sector towards business models. Thus we may stop to pause and consider whether the professionalisation of not-for-profits, including philanthropy, has its drawbacks as well as its advantages.

We wish to thank all those who shared with us and with you the reader, insights into their work, and in turn into the work we are all engaged in – the work of giving.

From The Hon. Mal Brough MP

Minister for Families, Community Services and Indigenous Affairs

When I was appointed as the Minister for the new Australian Government Department of Families, Community Services and Indigenous Affairs, I was delighted to also take up the position of Deputy Chair of the Prime Minister's Community Business Partnership (the Partnership).

The Partnership is a group of prominent Australians from the community and business sectors appointed by the Prime Minister to encourage community business partnerships, corporate giving and corporate social responsibility, and to examine incentives and impediments to philanthropy.

I am pleased to introduce this edition of *Australian Philanthropy* on behalf of the Partnership. The focus of this edition on the practical aspects of grantmaking and investing in the community is very relevant to the Partnership's work. During its tenure, the Partnership has been responsible for much of the tax reform introduced by the Coalition Government to increase philanthropy in Australia. A recent analysis of taxation statistics by the Queensland University of Technology has found that gift deductible claims by individual taxpayers in Australia rose nearly 18 per cent in 2003-2004 over the previous year. It is the first time that deductible gifts have exceeded a billion dollars.

The Government's commissioning of the recent *Giving Australia* research is further evidence of its commitment to growing philanthropy in Australia, and its recognition of the role that philanthropy plays in strengthening communities. *Giving Australia* provides the most comprehensive data ever on charitable giving in Australia.

The research emphasised the need for trusts and foundations to increase their knowledge of the sector and the particular challenges that it faces. The research also underscored the importance of raising awareness of the practical aspects of grantmaking, training opportunities and networks, and the benefits to be gained in sharing learnings with each other.

Australian Philanthropy provides an important avenue for disseminating knowledge and highlighting different perspectives and experiences. I am delighted that the Government has been able to sponsor this edition and I am sure that you will find the 'nuts and bolts' presented here to be both interesting and helpful in informing your giving strategies.

From my Perspective

Gina Anderson, CEO

Business at all levels is constantly talking about the shortage of skills, the 'war for talent' and the ageing population. Yet I hear very little of this in not-for-profit circles.

We as donors are increasing our expectations of the success of social outcomes. We talk of innovation and systemic change. We want highly creative solutions to extraordinarily difficult social and environment problems. We increasingly expect transparency, accountability, great measurable outcomes and evaluation.

But so often we only want to pay for 'the project'. While everyone in business knows the cost of compliance, of reporting, of evaluation and of project management, we continue to question 'administration costs' without looking at the outcomes. We need to understand that if we insist on more professional standards, we must be prepared to pay for them.

Part of this is being aware of our rights and obligations as part of the not-for-profit sector. Donors need to know the types of organisation they can legally fund, and what assurances they must seek from their grant recipients. In turn, not-for-profits need to know their legal status so that they can prove they are entitled to receive funds – not to mention the other charitable tax concessions they are entitled to. Clarifying these issues saves everyone's time.

We must get rid of the notion that you join this sector for the love of the job and therefore can and indeed should exist on the smell of an oily rag. I don't know about you, but I have a mortgage to pay! We need to remind everyone of that old truism, "if you pay peanuts you get monkeys".

And with business increasingly looking for 'soft skills' such as communication and dealing with people, skills that are in abundance in the not-for-profit sector, and willing to pay for those skills, how can we entice and keep talented people in the sector?

We must begin to look at outcomes. We must look at transparency and reporting and we must also recognise that it all costs money. The not-for-profit sector has inadvertently muddied the waters here. Administrative costs are too often hidden or under-played, for fear being seen as excessive. Not-for-profits must learn to take the brave step of being transparent about the true costs of resourcing and sustaining quality work – and of evaluating the outcomes to ensure that we know just how and why something works.

Firstly we must learn to be explicit in the costing of our programs and projects. Donors want more information than a bucket of money for 'administration'. Outlining the cost of managing a project to explain where the money will be spent – documenting, reporting, printing, evaluating, disseminating etc. – gives the donor an indication that there is a real understanding of how the project will be managed, the resources required and the anticipated costs.

Secondly, now that we live in a world where people have on average five to seven jobs during their working life, we should be encouraging everyone to consider a stint in the not-for-profit sector, and not necessarily at the end of their career. The intellectual stimulation, personal growth and experience gained when using skills learned in one sector can be enhanced and developed when applied in other sectors, such as moving from the business sector to the not-for-profit sector and visa-versa.

Thirdly, I hope to see business extend their staff volunteering programs to pay for one or two year secondments to work in the not-for-profit sector, particularly for those long-serving staff who would enjoy the re-energising challenge of using their skills in the not-for-profit sector for a period of time without losing their employment entitlements such as long service leave.

Meanwhile, as the sector moves through a period of growth and change, there will always be people driven by the greater good, with the passion and the commitment to devote resources, time and energy to helping others and addressing wider social issues, no matter what. They inspire us all.

A common pathway through the grantmaker cycle

By Genevieve Timmons

Where we've come from

There's no question that it's a significant time in history for philanthropy across the world. In the last two decades, we have witnessed rapid growth in the art and science of giving, and a degree of maturity is now emerging in how people approach this work in Australia.

Twenty years ago, philanthropic giving often consisted of random acts of generosity. When people elected to give their wealth, or were responsible for operating a grantmaking foundation, decisions were largely based around personal networks, private knowledge and individual style. Legal and financial expertise was recognised as an important element of the work, but the general role of grantmaking was guided by intuition and hunches, rather than explicit policies or standards of professional practice.

A strongly held sense of privacy in this small field was a barrier to identifying questions and challenges, and there was no clear pathway for grantmakers starting out. There was no agreed approach for experienced grantmakers to reflect on their progress, or to understand the environment in which they worked. The processes of planning and review, which are now common, were virtually unheard of.

An emerging professionalism

Philanthropy Australia, then known as the Australian Association of Philanthropy, brought together the small number of people who were involved with giving. Through this membership structure, people became aware of professional resources and material from other countries, and embraced opportunities for peer exchange and networking as the philanthropic sector grew in strength and number. As more people moved into philanthropy, they brought new energy, perspectives and scrutiny to a field which was tightly held. They also brought a range of experience and skills which has built the diversity of vision and style of grantmakers.

In a search for efficiency and relevance, we borrowed heavily from the few international resources available, and enthusiastically shared observations and discussion with visiting colleagues, particularly from the United States, Britain, Canada and New Zealand. Individuals worked together to forge new standards and exchange ideas, laying down the groundwork for philanthropic grantmaking as we know it today.

Where we are today

There is now an expectation that any professional giving program will combine technical, creative and philosophical elements to reach its goals. Grantmakers have a myriad of choices in how they move forward, and decisions to make about the purpose of their giving, the most appropriate legal structure, information technology systems to be utilised, the style of public communications to present, and the nature of the partnership they choose to create with grant recipients and communities in which they invest. For experienced grantmakers already in the field, there is also an expectation that regular review and evaluation will be built in to programs. This provides the opportunity to reflect on emerging trends and challenges, and to test against standards of good practice to accelerate their progress.

Rather than always looking to other countries for guiding information and reference points, Australia now has some of its own professional development resources, and standards of practice are gradually being agreed and adopted across the sector. This expansion has been fuelled by Philanthropy Australia, which has set in place a Code of Practice and made a priority of developing resources for its members.

Planning for every grantmaking program will be different depending on a range of variables. While diversity and creativity are hallmarks of grantmaking, there are some common steps to consider when starting out.

A seminar titled 'Essentials of Grantmaking', designed by Genevieve Timmons, was hosted by both Philanthropy Australia and Philanthropy New Zealand in recent years. The focus for these seminars was to bring together the A to Z of grantmaking, and provide a practical framework for people involved with philanthropic giving who were asking 'Where do I start? What should I be thinking about? Is there anything I've missed?'

The following 'Common Pathway Through the Grantmaker Cycle' was distilled to provide a generic checklist for the 'Essentials of Grantmaking' seminar. It offers a guide for any grantmaker as they put a giving program in place, defining a set of likely steps to be considered, and is intended to take some of the mystery out of the work. The Pathway should not be seen as prescriptive, but rather, a map of the technical, creative and philosophical elements that should be considered.

A version of this information is featured on the website of Philanthropy New Zealand, part of the range of resources made available to their members.

Each step in the Pathway requires detailed exploration. Further explanation of Step 10 is provided on page 6 as an example.

A Common Pathway Through the Grantmaker Cycle

© Genevieve Timmons

While recognising the diversity and contrast between philanthropic giving programs, there are some common steps to consider in the approach to any grantmaking endeavour:

1. Talk to others about their giving programs, gather information from experienced grantmakers.

2. Establish the mission, vision and purpose of the program.

3. Confirm the amount to be given away, and ensure it's worth setting up a new entity rather than giving through an existing structure.

4. Establish a suitable legal structure and financial management system, based on sound advice.

5. Establish a governance structure and staffing support for grantmaking and financial management.

6. Develop criteria for distributing funds, including guidelines for applicants, and other communications for the public profile of the program.

7. Establish a website or other public point of contact.

8. Invite funding proposals from organisations and/or individuals, either through informal networks or a public application process.

9. Establish a sound database for management and analysis of proposals received.

10. Assess funding proposals by testing against the criteria for giving, assessing references and undertaking site visits.

11. Summarise proposals for discussion, review and decision by the decision makers.

12. Convene granting meeting to decide on grants to be offered, which could include board members, trustees or advisory group members, staff or private donors.

13. Agree on decisions for distribution of grants, and any terms or conditions to be applied.

14. Communicate granting decisions to applicants, either as an offer of funds or rejection of proposal.

15. Confirm the terms of the grant in a written grant agreement, then release funds.

16. Receive receipt from grant recipient.

17. Maintain contact throughout the funded project.

18. Receive evaluation report and acknowledge outcomes with the grant recipient.

19. Disseminate and promote results – celebrate the achievements!

20. Regularly revisit the grantmaker vision, mission and purpose, and the patterns of granting.

Assessment of funding proposals (see step 10 above)

Clear guidelines for applicants are an important tool for both grantmakers and grantseekers, to ensure that valuable time and resources are not wasted in lodging and processing failed requests. While reasons for the approval or rejection of a proposal will vary widely, some common and agreed criteria used by grantmakers includes:

Eligibility

Has the organisation provided basic documentation as well as a clear and concise proposal summary to show it is eligible for consideration? Does the request meet the taxation and legal requirements, and the interests of the funding body?

Organisation strength

Is this a credible organisation, especially in the program area for which funds are requested? What is its mission, professional standing and track record within its community? Who is served and are there similar programs in the same geographical area? Is there evidence of community and peer organisation support? What are the distinctive merits of this organisation?

People

Do people involved have the necessary expertise to undertake the proposed program? Who provides leadership and vision for the organisation? Is the management efficient and well organised? Does the board composition reflect an appropriate diversity of skills and backgrounds? Are the people affected by the organisation involved in planning and running it? Has the relevant community been involved? Do they endorse and own the outcomes?

Financial circumstances

How does the agency meet costs for day-to-day operations? What is the asset base and annual cash flow? Is there a broad base of support? If it is a deficit operation, how does the agency intend to meet the deficit? Does the program budget make sense? Is it inflated or inadequate?

> "Clear guidelines for applicants are an important tool for both grantmakers and grantseekers, to ensure that valuable time and resources are not wasted in lodging and processing failed requests."

Opportunity or problem to be assessed

Has an important social opportunity or problem of workable dimensions been presented and data been given to substantiate the case? Or, have 'needs to be met' been presented and documented? How was this information gathered? Is this an area of expertise of the organisation?

Program objectives

What will be accomplished with the proposed funding? Are the objectives realistic and measurable? Do they relate to the stated opportunity, problem or need? Is staff adequate and capable enough to reach objectives? Do others in the sector recognise these objectives as significant?

Evaluation

Is there a clear set of indicators of successful or expected outcomes, and a way of measuring them? For pilot or model programs, what plans have been made to share the results with others and implement the findings? How will people know if they have been successful? How will they know if they have failed and what use will be made of this experience?

Other funding and future viability

What other funding sources or income streams have been identified? If the program is to be continued beyond the grant period, is a solid plan presented for future financial support? What other funding sources have been committed, and what other grantmakers are endorsing or supporting this proposal?

Language and form

Is the proposal clear and logically presented? Has the writer avoided making unsupported assumptions? Does the proposal educate the reader, and provide what is needed to convince others. Is there use of jargon and vergarbage?

The jump factor or the wow index

This criteria was defined by the Youth Grantmakers with the Foundation For Young Australians.

What are the things about this project or the organisation that make it distinct and unique? What makes it jump off the page to meet the priorities of the funding body? What are the points of difference?

Genevieve Timmons is currently the Philanthropic Executive with the Portland House Foundation, and also advises other grantmakers, trusts and foundations in their giving programs. She has over 20 years of experience in philanthropic grantmaking, both in Australia and internationally, and also worked with the nonprofit sector chasing funds for community projects for more than a decade.

Working in collaboration with Vanessa Meachen of Philanthropy Australia, and Robyn Scott of Philanthropy New Zealand, Genevieve designed and presented professional development materials for seminars on 'The Essentials of Grantmaking', which have been delivered in both countries.

The not-so-nutty professor: research as a practitioner tool

By Dr Wendy Scaife, Senior Research Fellow, Queensland University of Technology Centre of Philanthropy and Nonprofit Studies.

What is philanthropy research today and how does it relate to everyday practitioners? Is it befuddled academics in unmatched socks? And are they boring unsuspecting audiences with dreary statistics?

The ivory tower academic penning dusty tomes is long gone, if they ever existed. Today's philanthropy research is strongly linked to everyday practice – in fact reliant on the field and a real partnership. It is embryonic but growing. It shares with practice a common mission of improving philanthropy awareness, understanding and effectiveness by all stakeholders from policymakers through to the community at large. To thrive it needs committed practitioner support and a culture that values, uses and demands research.

This article firstly discusses what philanthropy research strives to achieve. It then draws on the recent seminal *Giving Australia* study as an example of current research informing the field.

Why research?

Philanthropy and nonprofit management are bountifully supplied with rich experience and an ethos that shares hard-learned lessons. While something to be cherished and never lost, this accumulated anecdotal wisdom is but one platform to advance the field. Philanthropy research complements this tradition, captures it, disseminates it, challenges it, validates and extends it.

Good philanthropy relies on professional skills and judgement. One essential criterion for being a profession is a body of knowledge. Do we have a formal body of knowledge on philanthropy and nonprofit management? Certainly published theoretical and applied research has been amassing globally across recent decades. But only a meagre percentage – a tiny toe of that knowledge body – is Australian. Even less work looks at philanthropy from the foundation view. Arguably, we do not yet have agreed tenets, principles and measures that new players can access to move quickly into good practice.

Is there fingertip data that engages media so they can broadcast to the community about all aspects of philanthropy? Do we have a proactive research agenda to verify what we think we know and to challenge what may be habits or what works overseas rather than smart local practice? What are we doing to light unlit pathways of knowledge?

Infrastructure (e.g. QUT's Centre of Philanthropy and Nonprofit Studies or Swinburne's Asia-Pacific Centre for Philanthropy and Social Investment) provides potential and focus. Visionary philanthropy has seen such infrastructure emerge, including inputs from The Myer Foundation, John T. Reid Charitable Trusts and Atlantic Philanthropies. Promising interest in understanding philanthropy in Australia has been evident but much remains to be done.

One of the most significant research works ever undertaken here came from the vision and funding of the Prime Minister's Community Business Partnership. The 18-month long Giving Australia study was the most comprehensive research ever undertaken into giving of time and money in Australia and its results meet some of the strived for outcomes of philanthropy research generally – real data, and a picture of trends, issues, attitudes and opportunities. While *Giving Australia's* focus was not specifically on foundation practice, some of its messages about giving, recipients and nonprofit capacity issues can inform philanthropists.

About giving generally

Giving is up, sitting at $11 billion per annum at January 2005, excluding the Tsunami response. Wide support is evident with 87 per cent of Australians being financial donors and 41 per cent donating their time (836 million hours per annum). Business giving at $3.3 billion has roughly doubled since 2001, with surges in community business partnerships and corporate foundations. Wealthier individuals and larger businesses tend to give more, and more often. Prescribed Private Funds have proved popular, encouraging more planned philanthropy. An estimated 58 per cent of Australians have a will but only 7.5 per cent have included a charitable bequest.

The recipients

The 'winners' in the business giving stakes include arts and culture, community welfare and health and medical research. Areas slipping backwards in individual donations include the environment and animal welfare, sport and education.

Nonprofit challenges

Key issues facing nonprofit organisations are rising compliance and risk management costs, government relations and funding, credibility and transparency challenges, a lack of leadership, proven fundraising professionals and particular difficulties for smaller and regional nonprofits.

In future, more research focused on the needs of foundations may bring benefits to practice and thinking. Hopefully the time is ripe for organisations like Philanthropy Australia, academic centres and government to build a research agenda and to take Australia's philanthropic research culture higher – not quite to the ivory tower but certainly upwards!

Research partners in Giving Australia were ACOSS, QUT CPNS, UTS CACOM, Roy Morgan Research, McNair Ingenuity Research and Fundraising Institute Australia. The full research report can be downloaded from the PMCBP website (www.partnerships.gov.au). Actual survey data can be accessed on http://assda.anu.edu.au/ for further analysis.

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Navigating charitable status – funders beware!

By Vanessa Meachen, Research and Training Manager, Philanthropy Australia

When considering which organisations may qualify as recipients of grants or funding support, it is important to pay particular attention to the charitable status of the organisation, and equally to be aware of any limitations on the types of organisations your foundation can legally fund.

It is very difficult to make generalisations about the types of organisation which can be funded by particular foundations, because there are so many exceptions and differences between trust deeds and nonprofit organisations. One of the most common confusions is around the issue of charitable organisations, as opposed to organisations which are deductible gift recipients (DGRs). It is a common assumption that if an organisation has satisfied the ATO criteria for DGR endorsement, it is a charitable organisation. This is not necessarily the case. Nor is it always possible to generalise about one organisation based on the status of another organisation.

In popular use the term 'charity' is often used as a synonym for voluntary or not-for-profit organisations, popularly understood as organisations that raise funds for or offer support to the disadvantaged in society. However, the legal meaning of the term can differ from the popular understanding. In legal terms, a charity is an entity established for altruistic purposes that the law regards as charitable.

It is important to recognise that some organisations which most people would assume are charities have not been endorsed as charities by the Australian Taxation Office. It is also virtually impossible to make generalisations about whether a particular entity has been endorsed, as so much is dependent upon the characteristics of each individual entity. In addition, not all eligible organisations have applied for all the concessions they may be entitled to.

> "Foundation staff and trustees should be clear about the legal requirements detailed in their own trust deeds, but also general legislation governing their particular type of legal entity."

This can be a dilemma for both grantmaker and grant recipient – particularly in the case of Prescribed Private Funds (PPFs) and ancillary funds. The guidelines for both these types of trust mean that there are restrictions on the types of entities they can fund.

For example, ancillary funds can only fund DGRs referred to in item one of the table in section 30-15 of the ITAA 1997. This means that they cannot fund other ancillary funds or PPFs. If the ancillary fund is an ITEC (income tax exempt charity), it can only fund DGRs under item one of the table which are also ITECs or TCCs (Tax Concession Charities). If the ancillary fund is not charitable, then it can fund DGRs under item 1 of the table which are not charitable.

Charitable PPFs can only fund DGRs which are also charitable (having endorsement as an ITEC (Income Tax Exempt Charity) or a TCC (Tax Concession Charity). PPFs which are charities cannot fund non-charitable DGRs or charities which do not have DGR status. They also cannot fund other PPFs or ancillary funds.

Some 'public' entities (public hospital, public art gallery) are entitled to claim charitable status; others are not, most notably those which are classified as Government Entities. Many of these organisations are entitled to claim DGR endorsement, but they are not charities and they cannot (for example) be funded by a PPF. They cannot be funded by an ancillary fund unless the ancillary fund is itself non-charitable.

Foundation staff and trustees should be clear about the legal requirements detailed in their own trust deeds, but also general legislation governing their particular type of legal entity, such as the PPF Guidelines available on the ATO's website.

Disclaimer: This is general advice only; it is not a substitute for professional advice, and no action should be taken without obtaining advice from an appropriate qualified professional advisor.

Listening to grantees: a funding recipient perception survey

By Fiona Higgins, Programme Manager, Vincent Fairfax Family Foundation

When it comes to the provision of private funds for public charitable purposes, there's an old adage in philanthropy that states: "There's no such thing as a free lunch, or a genuine compliment". While the idealist in me resists this cynical maxim, it's fair to say that many 'grantseekers' feel constrained in their capacity to communicate candidly with 'grantmakers'[1].

Philanthropic commentators from Joel Orosz to Julia Unwin have explored the 'power differential' informing the grantmaking process, a phenomenon which sometimes results in grantseekers putting up with all manner of grief from grantmakers. Practices such as sloppy communication or evaluation procedures, unwieldy grant application processes, or arrogance on the part of foundation staff or board members, to name a few. Grantseekers are understandably reluctant to critique such practices, for fear of rocking the philanthropic boat. In fact, in a recent report entitled *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*,[2] negative contact with philanthropic foundations was cited as a leading cause of burnout amongst US nonprofit leaders.

As part of our ongoing commitment to improvement, and in the spirit of engagement with the community organisations we support, the Vincent Fairfax Family Foundation (VFFF) recently conducted an anonymous survey of 69 charitable organisations to which we provided funding in the financial years 2003-2005.

Why did we do it?

The simple answer is: to honour our primary stakeholder group – grantseekers. Without grantseekers, the VFFF's funds are largely meaningless. It's a seductive fallacy to equate financial resources with community good – on the contrary, grantmakers are indebted to the thousands of charitable organisations which work to transform their financial resources into improved social outcomes. In conducting our first ever 'Funding Recipient Perception Survey', the VFFF's primary objective was to listen to grantseekers' candid feedback regarding *their experiences of interacting with us.* More importantly, we committed to actively using their feedback – however challenging – to improve our processes.

How did we do it?

We modelled our survey development process on that of the United States Centre for Effective Philanthropy, and attempted to make it as inclusive as possible. Early in the development phase, we conducted a 'virtual focus group' – comprised of 10 per cent of the pool of potential survey participants – to help us identify any confounds in design or content. This focus group's feedback was crucial in ironing out survey ambiguities and nuisance variables. We also contacted each potential survey recipient by telephone to alert them of our intentions, emphasising that any participation on their part would be entirely anonymous and voluntary. Finally, we disseminated the survey to our target recipients via an online delivery tool, with a four-week window for completion.

The results

Our survey response rate was 77 per cent – high enough to suggest that results were representative of the target population.[3] Of those who did respond, 98 per cent indicated that they had enjoyed a positive or very positive experience of interacting with the VFFF. Of course, this is entirely consistent with the affirming experience of receiving funds – one would not anticipate such glowing results from a survey of unsuccessful applicants!

Within the confines of this article, it is impossible to summarise the scope of highly nuanced feedback we received from respondents. However, here are just four practical ways that the VFFF will be improving its processes as a result of undertaking this survey:

1. Expanding the use of third party experts in particular areas of granting.

2. Improving our evaluations process through a consultative, tailored approach which reduces repetitive reportage for funding partners.

3. Easing the complexity of our application process by streamlining our submission template.

4. Prioritising personal, face-to-face contact with funding recipients, wherever possible.

And finally…

The last step in our survey process was to tell respondents how it turned out. The VFFF made available our results summary to the entire survey target group, including those who did not participate. We saw this as an important way to develop better relationships, make ourselves accountable, and honour the contribution of those who participated.

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1. The terms 'grantseeker' and 'grantmaker' are used here to convey the financial differential informing the relationship between charitable organisations and their funding partners. The author recognises the limitations of these terms, and welcomes debate in the third sector about alternative terminologies.

2. Bell, J. & Woolfred, T. (2006). Daring to Lead 2006: A National Study of Nonprofit Executive Leadership. San Francisco, USA: CompassPoint Nonprofit Services. Retrieved 12/05/2006 from http://www.compasspoint.org/assets/194_daringtolead06final.pdf

3. What happened to the other 23 per cent? Some organisations may have found the online delivery method a hindrance, while for others, staff turnover meant an absence of personnel with sufficient knowledge of the VFFF to complete the survey. Perhaps others would have appreciated an incentive of some kind in exchange for their participation (e.g. a double pass to a movie).

A day in the life of Christa Momot: Executive officer of the Reichstein Foundation

Christa Momot spoke to Carole Fabian about the nuts and bolts of her work with the Reichstein Foundation

Christa Momot is part of a small team with very big aims. She is Executive Officer of the Melbourne-based Reichstein Foundation, which has articulated its philosophy as 'change not charity' and its mission to support long term social change, an equitable distribution of wealth and power, and a healthy and sustainable environment.

The Reichstein Foundation was established in 1970 by Lance Reichstein, an engineer, industrialist, entrepreneur, civic leader, and philanthropist. Upon Lance's death in 1979, the Foundation inherited a significant proportion of his wealth, and has continued to make grants in support of social and structural change.

Christa Momot joined the Foundation in 2001. So how does she, together with three other people employed by the Foundation, and six trustees, go about trying to achieve this daunting mission? What are the skills, experience and attributes that she has found helpful in fulfilling her role?

"I came from the community sector. I managed a statewide service for homeless women and their children, and prior to that I managed a large community centre and neighbourhood house in Melbourne's west. Being directly involved in community development and service delivery really informed my work here," she explains.

Christa has also taught community development theory and practice at Kangan TAFE and Victoria University of Technology.

"A social sciences background has also been really useful in working with grant seekers. It helps me to peel back the onion skin, so to speak, to look for the structural causes of a problem. At Reichstein we work with people to think through what social policies are needed to get real change."

Christa also believes that to work in philanthropy, it is useful to have been involved with a voluntary board or committee of management. "It really helps you to see that it's often quite a struggle."

It was in fact as a grantseeker that Christa first came into contact with the Reichstein Foundation. Then Executive Officer, Genevieve Timmons, spent a lot of time with grant seekers helping them to develop their proposals. This is a model of working that Christa has continued in her current role, and in fact expanded upon.

"People have always been able to ring the Foundation and talk through their ideas, but we realised that we weren't getting lots of well structured applications, particularly from indigenous organisations. We developed a system of spending time with an applicant to develop up their proposal more extensively."

What flowed on from that was the Rural Outreach program. Christa maximises her time when visiting grantseekers in regional towns in Victoria by running free and open information sessions about philanthropy in general and Reichstein guidelines and grants in particular, for any local groups who want to come.

A local organisation helps by hosting the information session, and advertising it through their networks. Such a session in Warrnambool recently attracted 40 people. Christa then fills the afternoon with half hour individual appointments. "People can come and bring project ideas to talk through. Often they're not eligible for Reichstein grants, but I come with my Philanthropy Australia Directory (*The Australian Directory of Philanthropy*) and suggest other possible sources of funding."

As a result of the Rural Outreach, Chris said the Foundation received significantly more really good applications, most of which have successfully received grants.

Christa is now even more proactive, and seeks appointments before she arrives in a town, particularly with indigenous communities who often don't come to the information sessions. "So, yes we still sit here and receive applications, but we also go out and tell groups what we do, encourage them to apply, and then work with them to draft their application."

Last year the Rural Outreach took up two or three days a month of Christa's time, making it quite time intensive. The Reichstein Foundation also ran a 17-week capacity building program for indigenous groups, in collaboration with the Lumbu Indigenous Foundation and RMIT. It provided information about philanthropy, pro bono services,

> "Some people think that social justice grantmaking requires significant resources. It doesn't. Often, simply bringing people together to talk about an issue publicly is enough to begin to influence public opinion and begin to change the system."

submission writing, and thinking about how to achieve structural change.

In collaboration with the Victorian Women's Trust, the Reichstein Foundation also convenes the Violence Against Women Network, including all of the projects that both trusts have funded in that area. At a recent quarterly meeting of the network, Victorian Police Commissioner Christine Nixon came to discuss family violence, and police responses at the rural level. "Philanthropy is able to do that sort of thing, because we have the credibility I guess, not being activists on the ground. It was great because groups could talk off the cuff about some of their issues, and Christine was fantastic. She said there was no way she would normally be able to receive some of that honest feedback and she really welcomed it."

On top of these activities, Christa has to assess and shortlist applications for the Reichstein Trustees to consider, go on site visits, monitor funded projects and make sure things are on track, process acquittals of funded projects, including helping to write evaluation reports, and maintain close contact with a wide range of community groups in the Foundation's priority areas.

It's a lot to get through, but while Christa is the only full time employee at Reichstein, she has a lot of partners in her work. There are two other staff members, as well as a group of much valued volunteers. Foundation Chair, Jill Reichstein is very active, and according to Christa, comes to the office on average four days a week. "Jill is really hands on. She and the other trustees will go on site visits with me, and they often help in doing the research for those projects."

Reichstein shares its office space, resources and ideas with like-minded organisations, such as the newly established Donkeywheel Foundation, and the social change network Changemakers, as well as Pilotlight and Dot Philanthropy.

The Reichstein Foundation has also extended its ability to fund bigger projects through a Donor Partnership program. Individual donors or smaller foundations can register with the Foundation, use the benefit of its research and advisory services, and contribute in their chosen areas of interest.

"We now have around 75 donor partners. That's how we manage to fund many of our good projects. Even though Reichstein itself usually limits any one grant to around $20,000, I can't think of a really excellent project that we haven't been able to fund because of that limit. Our partners make all the difference."

The Reichstein Foundation encourages donor partners to become involved in its work, and in the projects they contribute to. Donors are invited to attend site visits and project briefings, receive regular newsletters, are welcome at seminars and workshops on a range of social issues, and can join donor circles – small groups which meet regularly, discuss current issues and form partnerships to financially support projects in specific areas of interest.

Between reaching out to far flung communities, and keeping in touch with 75 donor partners, does Christa have any time for networking?

"Within our priority areas, I identify the peak bodies and main networks in that area of policy. Reichstein is a member

of those networks, so I get all the minutes of their meetings. I take my pile of reading with me on the train each day, and I actually really enjoy it! (The Foundation's recent review identified priority areas as indigenous people, people with a disability, and refugee and asylum seekers, as well as projects that address violence against women, justice and corrections issues, the environment, regional and rural communities, discrimination against same sex attracted people, and the western metropolitan region of Melbourne.)

"We are members of a number of Philanthropy Australia's affinity groups, and those meetings are attended by me or one of the trustees. I also try to maintain informal contact with staff of other foundations."

If there's an area of her job that Christa would like to explore more it would be to develop better links with corporate foundations.

In the meantime, Christa Momot has plenty to keep her going. Despite the magnitude of the task of building greater social justice, she is confident that change is always possible.

"Some people think that social justice grantmaking requires significant resources. It doesn't. Often, simply bringing people together to talk about an issue publicly is enough to begin to influence public opinion and begin to change the system."

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A day in the life of Jenny Odgers, National Social Investment Manager, Shell Companies in Australia

Jenny Odgers spoke to Carole Fabian about the nuts and bolts of her work in social investment with Shell

Jenny Odgers oversees the social investment program of the Shell Companies in Australia. She plays a key role in building partnerships which deliver projects in three areas of focus: education, health, and care for the environment.

As Jenny explains, the objective of the program is to significantly contribute to the communities in which Shell lives and works, and to provide its employees with opportunities to contribute their time and money to charitable causes. "Our philosophy is to support national projects that can be delivered at local community level, as well as support specific local projects around our key facilities," she said.

What is your background and how did you come to this job?

I have a business degree and came to Shell whilst I was completing that qualification part-time. I have held a number of different roles at Shell, primarily focused on communication. In 1997-1998 I undertook a 12 month parental leave replacement in what was then known as the corporate giving role.

The combination of a strong communications/business background, coupled with some exposure to the program, put me in a good position when a full time social investment manager's role was put in place in 2003.

Imagine you are briefing someone starting work in a similar job to yours. Describe a typical day or week in your working life.

Be prepared for lots of variety! During any one week you can spend time working on:

• Developing a social investment strategy and looking at ways to improve our current program.

• Managing all our national community partnerships, which can vary from negotiating formal legal agreements, attending regular update meetings, developing proposals, to just staying in touch by telephone.

• Advising our local external affairs practitioners on social investment matters, including assisting with selection of partners and evaluation.

• Dealing with internal decision-making process, which includes calling meetings, preparing papers, preparing minutes from our steering group/ network meetings, regularly communicating with members of those groups.

• Reporting to Shell's broader management team via regular written updates or presentations.

• Taking lots of phone calls/having meetings, often saying 'no' to people in a way that does not harm the reputation of Shell.

• Managing the person who helps me with administration for one to two days a week (Kylie in particular manages the declines program and website).

• Looking for opportunities to promote the program both internally and externally including holding staff engagement sessions, entering awards programs etc.

• Researching our areas of focus to ensure I understand what is happening in those areas in Australia.

Is there any specific training available to help you in your work?

Shell runs a number of workshops which cater for external affairs, and social investment is included as part of this. As well, we have a group based in London (Social Performance Management Unit) which we can call on for advice and which also has a very well-developed intranet site. Regionally, SI practitioners do try to stay in touch.

I was amongst the first graduates from Swinburne University's Graduate Certificate in Social Sciences (Philanthropy and Social Investment). This was the best practical and theoretical training I have received in the social investment area and could not recommend it highly enough. I hope to return to go on to complete my Masters at some point… when I have time!

How did the Company determine how it was going to run its community program?

We undertook a review of the program in 2003 which led to a number of changes and a more focused program, including decision making process. We also made the decision to exit a number of projects, including our then largest project Shell Livewire. We have a number of national community business partnerships, some local projects around our key facilities. We also have a Workplace Giving program which comprises matched payroll giving and volunteering.

> "We have moved from a program which was primarily philanthropic in nature, writing a lot of cheques to lots of different organisations to a far more focused program. We have fewer, but larger, programs and work in defined areas of focus…"

What is your relationship with the wider company, and how are links maintained?

We try not to see the social investment program as 'non-core' but rather as part of the way that we do business in this company. There are regular communication opportunities with staff and part of the role of the Network members is to communicate about the program to its own work colleagues. Volunteering presents opportunities to really link employees in with the program and its various projects.

How do you select the projects you support?

After internal consultation, I develop proposals in conjunction with the community organisations. The proposals then go through a process of presentation to our Social Investment Network (SIN, as we like to call it), a group of employees drawn from across the business. They hear personal presentations from the community group and decide whether or not the project should be recommended for support. If so, it goes to the Social Investment Steering Group for a final decision. The Steering Group consists of the leaders of the business in Australia including the Chairman. The whole process can take up to 12 months.

How do you select partner organisations and how do you structure a partnership so that it ends at a mutually satisfactory point?

It is important to consider issues such as their area of expertise, their size and reach, if our values align, what sort of brand/profile they have, what their track record is, can they deliver, do they have communication professionals in their organisation, is there a volunteering manager, and who else do they partner with?

We would try to start a new relationship by undertaking a smaller project first. We would develop the project together, agree on objectives, responsibilities, and timelines. Then we work out how we will monitor progress, and document with a formal legal agreement.

We would also discuss the end of the partnership and what that might look like. We are very clear that we will exit and that it is not an open-ended relationship. Our agreements are usually for three year periods and we discuss the possible continuation of the relationship during year two. One of our key strategies is to encourage the community partner to seek other sources of funding (i.e. to leverage our funds). This may result in support sponsors who can potentially step up if/when we exit.

Over the course of your time in this job, do you think there has been much change in your role or that of the programs you manage?

During my time at Shell (since 1994) there has been a lot of change in this area. We have moved from a program which was primarily philanthropic in nature, writing a lot of cheques to lots of different organisations to a far more focused program. We have fewer, but larger, programs and work in defined areas of focus. We have well developed criteria and a strong internal decision making process which involves a broad group of employees. We work far more in partnership now than before – really trying to extract value from the relationship both for the community organisation and for ourselves.

How important is networking in your job?

In Melbourne we have an informal network of corporate social investment practitioners which meet up two to three times a year. As well, I am part of the Corporate Volunteering Forum, run by Volunteering Australia. I try to at least scan reports from other programs that are sent to me, usually by Philanthropy Australia.

From a corporate perspective, we can have similar issues, though slightly different approaches. We often face resourcing issues (who doesn't?), how best to engage staff, particularly middle management and general cynicism externally about our intentions with the program. I think there would be value in having a more formal network of CSI practitioners to ensure that the exchanges of learning keep happen regularly.

Feature interview: Fleur Spitzer

Philanthropy Australia's Louise Arkles talks to Fleur Spitzer about her work as a private donor

What motivated you to give in the first place?

My background – my grandparents, parents, in-laws all helped others less fortunate than themselves even when they didn't have much money themselves. Being Jewish also contributed – it is part of our culture to be charitable.

Since Vic and I married we have always given to charity and as our financial position improved we increased the amounts we gave. Larger amounts were given anonymously.

When I came into my inheritance in 1990, I decided that as my husband and I were now financially secure, I would use the money personally to fund a project that I was interested in but no-one else was. So I invested this money to produce maximum income.

What was that project?

I was keenly aware of the narrow way in which elderly people are viewed by society, and I decided to set up a research project to investigate the myths and stereotypes of women over 65.

The rapid ageing of the population was being presented as a health issue which would have considerable economic impact on society. I wanted to know about ageing in larger terms than economic ones. After two years research I started the Alma Unit for Women and

Ageing in late 1993 and funded one salary. The Unit was based at Melbourne University in the Key Centre for Women's Health in Society. It is named after my mother who led a full and busy life until six days before she died aged 88. I funded the Alma Unit for six years until it moved to Victoria University in 2000. By then it was able to generate research funds.

I was invited by Jill Reichstein to join the committee of the Australian Association of Philanthropy (now Philanthropy Australia) and got to learn about the philanthropic field.

You are unusual in that you are an individual donor, working outside the formal structures of a foundation, who is prepared to publicly acknowledge your giving. How did you reach the decision to be open about your philanthropy?

Once I'd funded the Alma Unit I received a number of invitations to speak about ageing so there was no question of being anonymous!

Through my personal philanthropy I had met so many new and interesting people who believed they could contribute to a more just society. I had come to believe I could do the same and wanted to encourage others. I like to think of myself as a role model for others who don't have large sums of excess income. I give about $60,000 a year, usually in grants of $5,000 –

$15,000 (which is not a lot compared with many high profile givers and foundations). I copped a lot of flack from people who thought I was self promoting by openly acknowledging my giving, so I have given up talking to others about the sense of achievement that comes from being philanthropic and just put my name up there.

Why did you decide to give in the direct, personal way you do, as opposed to giving through a foundation?

I don't have enough money to set up a foundation, but I don't see that as a disadvantage. The advantage is there are not trust deeds or trustees, so I am free to fund whatever I want, anywhere in Australia. There are no constraints. I give in the way I do because I am convinced that philanthropy does more good than charity. By that I mean giving in a considered well researched way, as opposed to writing a cheque to a high profile charity without understanding how the money will be spent or what impact it will have.

Do you work alone in your philanthropic endeavours?

Yes. I work independently to disburse my income. I don't employ staff or advisors. My husband and I decide together what to fund from our joint income, but I don't discuss even with him my personal giving projects.

In which fields of interest do you concentrate your funding?

My prime interest now is in social justice. The main groups of people I help are indigenous people, asylum seekers and refugees, older women and occasionally women in general. For instance, my money helped to get the National Women's Archives established.

How do you go about selecting the recipients of your donations?

I usually collaborate with the Reichstein Foundation* or the Victorian Women's Trust. Before their funding rounds, they give me a list of applications they have already researched and I fund projects either independently or in partnership with others.

My guide is the proverb "give a man a fish and you feed him for a day, teach a man to fish and you feed him for a lifetime". That says it all for me.

How do you balance the risk of being overwhelmed by requests for assistance with being able to identify projects of interest?

That's not a problem as I don't take submissions, so I have never been inundated with applications. I did a radio interview once and received a few requests afterwards, despite having stated at the beginning that I do not accept unsolicited submissions. However this isn't a problem as I've learnt to say 'no'.

Have you considered whether you wish your giving to continue after your death?

Yes, Vic and I have considered this and we decided that the answer for us is no – we do not want to give in perpetuity. We've been involved in charitable giving and philanthropy all our lives and some time ago we decided we won't accumulate any more money, that our income is enough for our needs and for our adult children and so we give the excess away.

How important to you is attending professional development activities, courses or seminars, or networking events?

I no longer feel the need to attend courses or formal events. It's nice to be able to say that I have arrived at a place of confidence in my knowledge and understanding of my philanthropic work. However informal networks, and Philanthropy Australia's affinity groups, are very useful, letting me know what others are doing in the field, getting tips on projects and individuals. The information sharing which takes place at these meetings is very valuable.

One of the ways I contribute to the sector now is to mentor people who are new to giving. A few people have been referred to me who had inherited large sums and did not want to accept it, fearing it would change their lives. I have suggested to them to keep the money and give away the income, working on a similar model as I do, based on working in partnership with other funders.

The past five years have seen many changes to the philanthropic sector. Do you consider that the sector is becoming increasingly professional, and in this are we losing anything valuable?

Not only more professional but more accountable and probably more effective. There are now publicly available annual reports (from some foundations). The 'club' has expanded enormously and isn't it interesting that over the past five years most of the administrators are women? And I must add that the Swinburne courses make a great contribution (the Asia Pacific Centre for Philanthropy and Social Investment, at Swinburne University of Technology).

I believe, however, that some people in the sector tend to play it too safe. Specifically, larger foundations have been reluctant to speak of their failures. It is very important to learn from unsuccessful projects, and, while keeping it confidential, lessons can be learned about why a project failed, and what might work next time, and should be shared with other funders and practitioners.

Have you found any particular people or foundations to be inspirational?

Early in my involvement I was introduced to the Women in Philanthropy group organised and chaired by Sarah Stegley. I learnt a lot from that group. Sarah was a great teacher. She was so insistent that high standards of accountability and transparency were an obligation because of tax deductibility.

A passing remark "no matter how good the project, look at who is running it" has had a big influence on me.

Jill Reichstein, in particular, has done an enormous amount to change attitudes and the practice of giving. She has been a wonderful role model, being the first to put great emphasis on social justice issues instead of 'good works'. Which is not to say that good works, charities, aren't worthy, but they are likely to get funding elsewhere. I, like Jill, try to fund projects that others won't fund. Jill also started the Women Donors group, a consciousness-raising group which has been so instrumental in supporting women to give in a considered way. And now there is a new group, Changemakers[#], which is proving very exciting.

What advice would you give to new donors, just embarking on giving?

- Get professional advice to set up your affairs to ensure that after your, or your partner's, death your money will go where you want it to.

- Donors working independently need to be able to tap into organisations which do research into projects and organisations and are willing to share that research.

- Consider long term funding, by which I mean three to five years.

- It is important to evaluate the results of projects you've funded. Fund an evaluation process within the project to know what has worked and what has failed.

- It's vital to recognise the importance of administrative costs and to fund them, in some cases to the tune of 15-20 per cent of the project costs, depending of course on the existing capacity of the organisation.

For more information about the Reichstein Foundation's Donor Partnership program, see page 10 (A Day in the Life of Christa Momot).

 # For more information about Changemakers, see page 19 (Forging Links).

The power of business and the realignment of the nonprofit sector

By Mark Lyons, Professor of Social Economy, Centre for Australian Community Organisations and Management, University of Technology Sydney

The past decade has seen considerable change in Australia's third organised sector, the nonprofit sector, and in philanthropy, the gifts of time and money that initiates and helps sustain it. The extent of these changes has not always been understood, let alone acknowledged or reported upon.

If we were to look back what would we see? What have been the main trends affecting the nonprofit sector and philanthropy over the past decade? Can we detect any deep set, long term changes that are driving these?

What we have seen over the past decade is the consolidation of trends that began more than a decade before. Big nonprofit organisations have grown bigger, most others have plodded along feeling increasingly burdened and some have collapsed. To balance these collapses, new organisations have started, though in different fields: health charities, for example, have multiplied. Big nonprofits in particular have become more business like in the way they operate. They have recruited more people with business backgrounds to their boards and have begun recruiting people with business experience in senior executive positions.

This is as true of big sports organisations, registered clubs and advocacy organisations as it is of charities. Some smaller organisations, including start-ups have sought to become more entrepreneurial embracing the social enterprise model of operating.

The picture for philanthropy is generally positive

Over the past decade, philanthropy has grown. More people give time, though for less hours on average; more people give money and more money on average. Businesses too have increased their giving to the nonprofit sector, but more importantly, have increased the range of their interactions with it; a small but increasing number embracing the partnership model. New business foundations have been established and others have grown; with government encouragement, high wealth individuals and families have established foundation like entities (PPFs). The quantum of disbursements by endowed foundations and their business look-alikes is still small by comparison with countries such as Canada (let alone the United Kingdom and the United States), but it is certainly growing. Some are attempting to change the philanthropic model from that of a gift to that of a social investment.

The biggest changes began in the previous two decades

But what has driven these changes? Have they been largely powered by forces operating within the sector, are they the intended outcomes of government policies or are they products of more fundamental changes in society and government? The answer is a little of the second, but mostly the third.

The big changes that created the Australia we have today, and impacted hugely on its third sector and philanthropy, began three decades ago with the collapse of the Keynesian consensus. What we have seen, beginning around 1975, has been a total transformation of the way government sees itself and in the way it works. As well, and not unrelatedly, we have seen a huge growth in the ability and the profile of Australian business.

In Australia, these deep changes in government are generally described as economic rationalism and managerialism (elsewhere they are called neo-liberalism and new public management). Basically, beginning in the late 1970s, but dominant by the late 1980s, those calling the shots in government came to see its main role as being to create and protect competitive markets and to favour the organisational form best suited to operate in markets, the for-profit firm. The same group have determined that governments have to be organised more like a business – sometimes with beneficial, but sometimes with less than desirable, consequences.

Some of the profound policy changes denoting this new way of governing have been the deregulation of financial markets, tariff reduction, the privatisation of many government owned utilities, and competition policy. For many nonprofit organisations the main

manifestation of these changes has been the reclassifying of grants as contracts, the introduction of competitive tendering, and the encouragement of for-profit enterprise to enter fields previously occupied exclusively by nonprofits.

The prospering of business

At the same time and partly as a consequence of many of these changes in government, the business sector has prospered. At the big end, at least, Australian businesses have become global players; the skill level of businesses and of business professionals has increased markedly, at least in part because of the huge growth in undergraduate business courses and the ubiquitous MBA. These changes have boosted the profile and legitimacy of business. Business practice is the touchstone by which good management and good governance is judged. Compulsory superannuation has ensured that the wealth of every working Australian is now tied up with the success of business.

Business originally whole-heartedly embraced the business equivalent of economic rationalism, best captured by Milton Friedman's exhortation that business pursue the maximum profit possible while continuing to act within the law, and by the 'greed is good' mantras of the 1980s. However over the past decade a small but increasing number of businesses, pressured to rethink their role by activist NGOs like Greenpeace and Amnesty International, began to realise that as global entities bigger than most states, they had to take responsibility for the social and economic consequences of their actions.

The growth of the ethical or socially responsible investment movement further encouraged this change. So business is no longer just the driving force of economic change and the source of management expertise and strategic skills, it is also slowly coming to apply some of these skills to address social problems in innovative ways, or to work with nonprofit groups that have the knowledge and ideas but lack the know-how to operationalise them.

Another consequence of the economic changes encouraged by government and generated by business over the past 20 years has been a growing inequality in developed societies like Australia's. It is not that the poor have grown poorer; they have not, but that while many individuals and families have grown wealthy, many struggle to make ends meet. However, as happened in response to inequality and poverty in the nineteenth century, this growing wealth for many has in Australia (as in America and Britain) encouraged philanthropy and the creation of new charitable organisations. Unlike the 19th century however, it has not encouraged the formation of new mutuals, friendly societies and cooperatives, by which working people provided their own welfare and through which they expressed their hostility to charity.

In this big picture can be seen the origins of the trends noted in the nonprofit sector and philanthropy. Economic prosperity and the increasing numbers of people with high levels of disposable income explain the increase in levels of giving. It also explains the increasing numbers, especially among the better educated, who are volunteering (but because many are working longer hours, the number of hours free for volunteering are fewer).

The ambiguous promise of business

The success of the business model, especially its easier access to capital, means that in many fields business is successfully challenging nonprofits. On the other hand, the growth of socially responsible businesses has also meant that businesses are more likely to support nonprofits, not just with donations, but with goods and most importantly, expertise. Nonprofits embracing business approaches and techniques must take care not to lose sight of their mission and values. Business practices must be adapted, not simply adopted. Genuine

> "For many nonprofit organisations the main manifestation of these changes has been the reclassifying of grants as contracts, the introduction of competitive tendering, and the encouragement of for-profit enterprise to enter fields previously occupied exclusively by nonprofits."

partnerships between businesses and nonprofit organisations are possible. The reconstitution of philanthropy as social investment is another example of reframing old practises through a business model lens.

As a result of both competition from business and the availability of business expertise, successful nonprofits are adapting many business techniques and ensuring that men and women with top level business experience can be found on their boards and among their senior staff.

To conclude: the biggest change of the past decade has been the reorienting of successful nonprofits away from government and toward business. This process has still a long way to run. The next big challenge for the nonprofit/ business partnership is to develop new and effective ways for raising capital for nonprofit organisations. But while business remains the most ardent force in society, it is both inevitable but also appropriate that the nonprofit sector comes to work more closely with it, even while it has ever more extensively to compete with it.

Community foundations – the nuts and bolts

By Catherine Brown. This is an abridged version of a longer article, the full version of which can be found on our website at: www.philanthropy.org.au/services/journal.htm

Community philanthropy is the giving by individuals and local institutions of their goods or money along with their time and skills to promote the wellbeing of others and the betterment of the communities in which they live and work.[1] In Australia, community foundations are the catalysts that make community philanthropy happen.

The first community foundation in Australia was the Victorian Community Foundation, established in 1983 by ANZ Trustees. It was not until 1995 that two community owned community foundations were set up – Melbourne Community Foundation and the Tasmanian Community Foundation. There are now more than 25 community foundations; many in rural and regional Australia have received support from FRRR.

There are three points to make right at the start:

A. Community foundations are hybrid grantmaking and community building philanthropic organisations. When they emerged with real energy in the late 1990s, there was not an existing legal vehicle or tax status which suited all their needs. There still isn't – and some of us continue to work on this with the Federal Government. However we have learned to work as best we can with the nuts and bolts we have.

B. Community foundations are still evolving and finding a sustainable balance for their activities within the Australian context. Some have worked hard on building an endowment, others have focused on demonstrating what they can do through smaller grants and community building projects, some want to focus mainly on grantmaking – but just about all of them want to also build the capacity of their community.

C. Community foundations are public philanthropy in action – owned by a community for a community. They attract a diverse range of donors, grantseekers and partners, and enable new partnerships to be formed and new solutions to be found because they are seen as independent and credible.

So let's go through some nuts and bolts that make community philanthropy happen.

Katharine Clarke, Executive Officer of Wingecarribee Community Foundation with the Registered Nurses who took part in training workshops in palliative care nursing in 2004.

Nut 1: Community foundations are here for the long term

Bolt 1: Use an organisational and legal model which will last

A key feature of community foundations is permanence. In the most recent edition of *Alliance* which focused on sustainable community philanthropy, Barry Gaberman of the Ford Foundation explained this well:

"I think the concept of community philanthropy can be varied…, but at the end of the day the unique feature of a community foundation is that it has a degree of permanence to it. And I think that's very important. …many of the problems that community foundations work on have to do with basic issues regarding equality, diversity and poverty, and they don't lend themselves to easy, instantaneous solution, and you need that sense that there's an organisation that will be there, that is not only applying resources to the problem but also helping to create a dialogues about it. That takes time."[2]

Nut 2: A community foundation must respond to the needs of its community

Bolt 2: Act on up-to-date research

This means that community foundations need to understand their community well. They have to examine up to date information about social and environmental needs, and to know what the other key local organisations are doing and funding. They aim to make grants where the needs are greatest or where there are gaps in services and knowledge. To gain a better understanding of needs, Wingecarribee Community Foundation convened meetings about coordinating respite and palliative care within their region and commissioned research. Geelong Community Foundation commissioned a project to investigate better coordination of emergency relief in Geelong.

Nut 3: A community foundation must be owned and managed by its community

Bolt 3: Ensure a majority of the Board of a community foundation are people with community responsibility – as determined by the ATO

"Community foundations are public philanthropy in action – owned by a community for a community. They attract a diverse range of donors, grantseekers and partners…"

From left to right: Mrs Judy Brewer-Fisher, Chairperson of the National Family Carers Voice at the 2004 WCF Carers Forum, and Dr Helen McCue, Founding Chairperson of Wingecarribbee Community Foundation with Katharine Clarke, Executive Officer.

Community foundations are public foundations. They are usually a company limited by guarantee, which is endorsed as a charity and acts as Trustee of a trust known as the Public Fund (an ancillary fund). The Public Fund is endorsed as a charity and a Deductible Gift Recipient. The company may also be trustee of a charitable fund, a disaster relief fund and – after 1 July 2006, probably an education scholarship fund as well.

The key to community ownership is that the company, in order to be the Trustee of a Public Fund, must include a majority of members who the Australian Tax Office regards as being people of community responsibility. Community foundations are also strongly encouraged to create diverse Boards which include a mix of genders, ages and backgrounds.

Nut 4: A community foundation is accountable to the community

Bolt 4: Ensure all public reporting obligations are met

A community foundation is a not for profit company limited by guarantee with additional responsibilities because it is also a Trustee of a Public Fund. The accounts of a community foundation are audited and are available to members and the public. As a company limited by guarantee, the community foundation must also meet the requirements of the Corporations Act. Community foundations (and their tax endorsements) are listed on the Australian Business Register.

In addition, community foundations provide information about grants made and outcomes from grants, often via their websites. Monitoring funded projects and reviewing project evaluations are important aspects of community accountability.

Nut 5: A community foundation makes grants and engages in community capacity building

Bolt 5: Remember that community foundations are charities working for their communities

In an ideal world – in fact, in many other parts of the world! – community foundations are able to receive tax deductible donations and operate via one entity. They don't have a company and trust structure as we do in Australia. In Australia, most community foundations operate as charities within the company part of the structure. They can run projects, organise meetings, carry out research and engage in purposes beneficial to their community. However, these activities are not tax deductible to donors as donations. Corporate sponsors may be able to claim a tax deduction if their support can legitimately be regarded as a business expense. This area can be supported by leaving a bequest.

Nut 6: A community foundation needs to be attractive to donors

Bolt 6: Promote the fact that community foundations add value to donors' philanthropic activities

Donors receive many benefits from giving to a community foundation. They become part of a group interested in improving their community and can gain access to information about community needs and priorities. Community foundations bring diverse people and organisations together and create energy to tackle difficult community problems. Some donors want to find a way to remember a family member which is simple and cost effective – a named donation to a community foundation does this.

Donors can indicate their preference to support a certain area of need within the community. Community foundation Boards consider the preferences of donors but must make all grantmaking decisions themselves. This area is the subject of a Tax Ruling.[3]

Donors that are seeking a tax deduction must give to the Public Fund of the community foundation. Grants made from the Public Fund must be made to organisations endorsed as a Deductible Gift Recipient or to establish a DGR. Public Funds are ancillary funds, not doing DGRs, and unfortunately cannot accept donations from Prescribe Private Funds. This is another nut yet to be cracked!

Nut 7: Community foundations must be sustainable

Bolt 7: Use a range of income and in kind sources to build sustainability, and be aware that this takes time

Community foundations find many ways to build their financial and human capacity. This has been a very lively topic of conversation on the community foundation listserve hosted by Philanthropy Australia. Sources of income include endowments, short term donations; grants from foundations or government programs for youth development, research, community planning and other projects; income from community markets and other general fundraising ventures; and in kind office accommodation and other services such as web hosting, public relations and accounting – often provided by local businesses (such as the Hume Building Society in Albury).

So that's a quick run through the nuts and bolts of community foundations. Community foundations are the fastest growing form of philanthropy in the world. They are visionary and empowering philanthropic vehicles run by communities to help themselves. Community philanthropists across the globe are making the best of local conditions to work towards social justice and stronger communities.

Catherine Brown, Director
Catherine Brown & Associates
Website: www.catherinebrown.com.au

1. European Foundation Centre Report on Community Philanthropy (2002).
2. Community foundations: Silver bullet or just part of the answer, Alliance, Volume 11 Number 1, March 2006, Milner A and Hartnell C, p30.
3. Tax Determination 2004/23, Australian Tax Office.

Computer software a 'gift' to grantmakers

By Scott Anderson, Program Manager, The Ian Potter Foundation

A group of Australian grantmakers have been exploring the benefits of a tailor made computer database program called GIFTS. They meet on a regular basis to share their knowledge and experiences of the program.

The GIFTS User Group was established in 2005 and currently there are eight members of Philanthropy Australia using the system. Meeting are held quarterly at the offices of The Ian Potter Foundation, and I have been appointed the inaugural Chair. The group is hosted by Philanthropy Australia who provide administrative support and access to their listserve.

MicroEdge GIFTS is an American-based database, designed specifically for the administration of grant applications by grant makers and to a lesser extent, fundraisers. The database comprises a range of modules, which depending on the needs of the organisation, can be added to the basic version of the product.

As it has been designed almost exclusively for grantmakers, MicroEdge GIFTS is an extremely effective tool to control, monitor, access and interpret the information regarding applications. GIFTS is relatively simple to use however has the flexibility and ability to manipulate data in a multitude of ways making it a very powerful tool.

By using GIFTS, an organisation can track a grant from initial receipt of the application to payments (which can be single or multiple) through to reports for a grant. The database also provides capacity to historically record grantmaking to an organisation along with a capacity to include phone notes.

Although this is a US-based product, there is an Australian representative company for sales and services. The User Group was established to bridge the gap between day to day use of the database and the service providers. The User Group meetings provide informal opportunities to get together and discuss a variety of issues. Small issues that one person may not be

able to deal with can be discussed in a friendly forum and suggestions can be bounced around on how to overcome the issue. In other cases we might need to pass a message back to IPP (the representative company in Sydney) for an answer, or suggest an amendment to the next version. As there is a limited number of users of GIFTS in Melbourne (and Australia), and limited formal training for users, the group is especially beneficial for ensuring that all users get the most out of this product.

The listserve operated by Philanthropy Australia also provides a forum for communication for users between meetings. It allows member to share information and resources regarding GIFTS and can be used as an initial point of inquiry prior to involving the service providers.

The Group also offers the opportunity for networking between foundations and provides a forum for exchange of database and other ideas and is especially useful for foundations with small staff numbers.

> "The User Group was established to bridge the gap between day to day use of the database and the service providers… and is especially beneficial for ensuring that all users get the most out of this product."

The GIFTS product requires you to have a maintenance agreement. This enables you to receive automatic updates to the product, in a similar way to other computing products. It does offer varying entry levels with different modules available. There is Essential GIFTS for basic needs of small to medium sized foundations. For larger foundations, access and SQL versions are available with additional modules available covering document management and budgeting requirements right through to internet grant applications.

If you are interested in finding out more about GIFTS, the contact for the Australian supplier is IPP in Sydney, telephone (02) 9868 2688. Cost depends on the number of licences that are issued.

Forging links – networks, affinity groups and listserves

With thanks to Gabrielle Vuletich, Sabemo Trust and Coty Cortese, Mary Potter Trust Foundation

There's nothing like a community of interest to provide information, ideas, a forum for learning and swapping ideas. Philanthropy Australia members have access to a number of 'in person' or 'online' opportunities to network.

Affinity groups are organised around 'fields of interest'. They meet regularly, host guest speakers and forums on particular topics, and in some instances, undertake collaborative funding. There are currently affinity groups in Melbourne and Sydney, and are organised around the following funding areas – Indigenous, early intervention, arts, disability and ageing futures.

Networks also provide links between people working in similar fields of giving. The Community Business Partnership Network in Sydney is open to all Philanthropy Australia corporate, business or professional members (e.g. legal and accounting firms) who manage community partnerships, whether through a foundation, as a stand alone program or as part of a wider CSR role.

Community foundation members have access to a lively and well used Listserve – an online discussion noticeboard and chat forum. The listserve is regularly used to seek and gain advice on very practical matters to do with setting up a community foundation, establishing specific funds, writing policies and recruiting board members, to name but a few examples.

Coty Cortese of the Mary Potter Trust Foundation is an active member of the Sydney Indigenous Affinity Group (IAG).

"The meetings provide a forum to learn about specific needs and activities of indigenous communities across Australia through presentations by other grantmakers and indigenous spokespeople themselves."

"Often, a group member will also present a recently funded indigenous project, providing valuable opportunities for shared learning. A number of collaborative funding approaches have come about as a result of this."

Gabrielle Vuletich of the Sabemo Trust chairs the Sydney Early Intervention Group (EIAG), which was formed in 2003.

"One of the group's aims is to identify and disseminate research relevant to early intervention. This can help enable effective programs. Another goal is to foster the growth of 'best practice' programs," she said.

"Perhaps the most challenging objective has been to achieve connections between grantmakers and programs. While the strength of the philanthropic sector lies in its ability to respond relatively quickly to requests for assistance, communities would benefit from a more coordinated approach on the part of grantmakers. The role of the Early Intervention Affinity Group is to provide a forum for grantmakers to explore joint funding initiatives and take 'best practice' programs to a larger scale.

Speakers have included Gillian Calvert, New South Wales Commissioner for Children and Young People, and Professor Dorothy Scott, who established the counterpart affinity group in Melbourne. Topics of interest have included the role of evaluation, sustainability of programs, and current issues in academic research.

"One topic the group has explored is ways in which grantmakers can work with grantseekers to develop programs," Gabrielle Vuletich said.

"Such relationships can help mentor and build capacity in the grantseeker organisation, while giving the grantmaker a better understanding of concerns and challenges at the local community level."

"As a way of finding out what other foundations are doing and mapping the diverse range of activities being undertaken by government and the not-for-profit sector, the EIAG is a valuable resource for members," Gabrielle concluded.

Changemakers – new network for social change philanthropy

Changemakers Australia (CMA) is a new network hoping to achieve real social change, along the lines of Changemakers in the United States.

Launched six months ago, it will support and encourage both grantmaking organisations and individuals to work in partnership with groups experiencing disadvantage and discrimination. The major assumption underlying this approach is that effective change addresses the structures – political, economic, and social – that cause or perpetuate social ills such as poverty, inequality, abuse of human rights and environmental degradation.

CMA held its first workshop held in June, called *'Suffer the little children: Contemporary trends and issues impacting on Australia's children'*.

It has also developing an evaluation framework for social change.

Members of the Management Committee include Mary Crooks, Victorian Women's Trust; Jill Reichstein, and Ian Seal, Reichstein Foundation; Adam Smith, Education Foundation; Marion Webster, Melbourne Community Foundation; Cath Smith, VCOSS; Claire Brunner, Donkey Wheel Foundation; and Coty Cortese, Mary Potter Trust Foundation.

CMA welcomes interested grantmaking foundations and individual donors – current or potential – to become affiliates.

CMA contact: Trudy Wyse
Telephone: 0419 581 678
Email: info@changemakers.org.au
Website: www.changemakers.org.au

Philanthropy in action: managing the workload

By Lee Draper. This is an edited version of an article originally published in 'Foundation News and Commentary', January to February 2006, used and summarised with the kind permission of the author and publisher

A job in philanthropy once had an enviable profile: being paid to contemplate important issues of the day, having access to the most up-to-date data and analysis about those issues, and playing an important role in supporting the nonprofit organisations that were best poised to offer solutions. While those responsibilities have not changed, today they are too often conducted at a breakneck pace, as the demands upon grantmakers have increased exponentially.

The call for professionalisation of the field has led philanthropy to regard itself in terms of business models, and the speed of business life is escalating. Some of the new demands are summarised in the following comment by a foundation employee:

"We've adopted a value of partnering, of engaging in funding collaborations. Now a program officer not only needs to perform due diligence on funding applicants but also on what other funders are doing in the field. Strategic grantmaking takes a lot of time. Collaboration with other funders takes a lot of time."

How do grantmakers meet the demands of a skyrocketing workload? What happens to the important steps of personalised phone calls to nonprofit applicants, site visits and keeping abreast of what's happening in the trenches? We talked to a number of seasoned grantmakers about their strategies.

While each of them reported that their workloads have dramatically increased in recent years, most cite positive circumstances leading to that situation.

- "The nonprofit community has become more sophisticated at seeking funds. We're not necessarily seeing more applications, but we're seeing stronger ones. We have to spend more time looking at competitive proposals. Also, everyone wants to have contact with the program officer; there are a lot more phone calls."

- "There is increased demand for professional standards in philanthropy: in information management, accountability, the documentation of grants, evaluation, and the use of business plans – these all add to the workload, but increase our effectiveness."

- "There's a lot of concern about foundations staying lean, keeping overhead costs down in order to channel more money to the community. Our workload is huge, while the staff is small. That means we have to accomplish greater productivity through the systems we put in place."

Perhaps because the circumstances contributing to the increased workload can be viewed as positive, morale remains high, even in the face of working longer hours. However there has been a shift in priorities, and there is less time for some valuable interactions.

- "There's less time for exploratory conversations. We spend more of our relational time with grantees with whom we expect to have a long term relationship. The relationships are no less meaningful, but there are fewer of them."

- "We have cut back on site visits. We used to conduct them for every grantee, but now, if we're already familiar with an organisation, we're less likely to do so. We have to be more selective." This can threaten a funder's ability to keep up-to-date with nonprofits and aware of the steps in their growth and development.

- "The area that has suffered most is our interactions outside the office. We have to make tough choices about what we have time to attend." Thus, grantmaking professionals have less time to celebrate with nonprofits, get a feel for their community and clients, or support them at critical public gatherings.

- Opportunities for interaction with peers have also been reduced. "These days, I tend to go to conferences only if I am speaking at them."

Seeking technological solutions

Many foundations are turning to technology to help provide solutions to streamline the workload.

- "The workload would be intolerable without the computer. We converted to online applications in April (2005) – a lifesaver, in my opinion. Our online system helps with screening requests and it automatically declines those outside our guidelines."

• "We are moving to an online grants application. It will answer frequently asked questions and enable an automated screening process. For a while, we will continue to allow paper applications, but to be honest, that won't be possible forever."

Information management is a critical area in which streamlining and effective use can make a difference.

• "Our grants management system will allow everyone in our office access to grant files, whether they are in the office or offsite. We've upgraded our database, which allows us to track activities and donors, and easily pull up the data we need. All of our staff calendars are linked in Outlook, which makes scheduling easier."

• "Online tools, such as intranets and listserves are being used to share information within a specific group. Websites contain a lot more useful content for grant applicants, other funders and the public. Foundations are getting into knowledge management – making available more data about lessons learned, contacts and research, both within a funder's staff and externally. This is another aspect of collaboration."

However, there is a cautionary note:

• "Technology can be both a help and a hindrance; we try for email rather than hard copy communications – proposals, reports, interoffice – but this in itself creates more work. One has to pay attention to email so it doesn't build up." Also, email encourages people to expect a rapid response to all types of communication and to have access to all staff levels.

Staffing

To maximise productivity, professional staff should be able to delegate work to support staff. Adequate administrative and program support assistance can allow program officers to work at their peak and optimally draw on their experience.

> "The nonprofit community has become more sophisticated at seeking funds. We're not necessarily seeing more applications, but we're seeing stronger ones. We have to spend more time looking at competitive proposals."

Finding balance

Despite the reduced time for interaction with peers and colleagues, many of those interviewed said that interaction helps relieve work pressure.

"Our group has signed up for a Walking Works program – the goal is to walk at lunch in pairs and as a team. We also have lunch together every two weeks out of the office, where we don't talk about work."

Self-care is another critical coping strategy. "I try to leave the office at a reasonable hour; this sets a tone for the rest of the team. And I try to allow for flexibility in staff schedules to accommodate their lives."

One grantmaker said she spends some of her free time volunteering for several nonprofits and comments, "This keeps me grounded."

"A key part of time management is how you take care of yourself," said another. "You have to realise that the work will never be done, because our work is about changing the world. It's important to preserve your personal time; don't read work-related publications after 8pm I like to have a novel going, something that will take me into another world."

"I have to check my God complex. I'm not the only one doing this work – a movement is never just one person. You can put down your tool, and someone else will pick it up."

Managing priorities

When asked what advice they have for their colleagues who are struggling with their workload, responses run the gamut.

• "This sounds basic, but I would frequently revisit the foundation's funding guidelines and values statements. These can fuel, propel and guide the work and help you to manage priorities."

• "The foundation has quiet hours in the morning, which helps staff to attend to the work that requires thoughtful reflection and a sustained attention span."

• "Designate periods in the day to respond to email, rather than responding immediately and all day long. Set aside no-meetings days – these will give you the chance to process a lot of work."

• "Be surrounded by good people; the right people for the job. Conduct internal audits periodically: look at time allocations and reduce unnecessary activities. And always relate activity back to the mission. If a task is not relevant and essential to carry out the foundation's mission, eliminate it."

To read the full article, as published in 'Foundation News and Commentary' go to our website: www.philanthropy.org.au/ services/journal.htm

'Foundation News and Commentary' is published by the Council on Foundations: www.foundationnews.org Past issues are held in Philanthropy Australia's library.

Macquarie Giving

By Julie White, Head, Macquarie Bank Foundation

Macquarie Bank introduced its workplace giving scheme, Macquarie Giving, at the end of 2002 to enable Australian staff to make regular monthly donations to charities directly from their pre-tax pay. The scheme continues to grow significantly each year due to ongoing promotion to staff.

While a number of Australian businesses now have workplace giving schemes in place, such schemes were rare in the 1990s due to Australian Tax Office regulations. Macquarie Bank lobbied the Australian Tax Office for the introduction of pre-tax workplace giving on the grounds that it would provide immediate tax benefit to staff and gives charities a secure income stream, enabling them to make long term planning decisions. Macquarie then investigated how best to implement what was to be one of Australia's first workplace giving schemes under the new tax regime. Two organisations which worked in the field of donation management – Charities Aid Foundation Australia (CAF) and Australian Charities Fund (ACF) – were approached to administer the scheme. Macquarie selected CAF because:

- They enabled staff to choose from a wide range of charities (up to 40,000, whereas ACF at the time could only accommodate up to 15).

- They had a long track record of running workplace giving schemes.

- Through their parent company, CAF UK, they offered the opportunity for Macquarie to broaden workplace giving to our staff worldwide.

- Macquarie had an existing relationship with CAF through staff who were involved in the organisation.

As part of the planning Macquarie Bank Foundation decided to cover the 5.5 per cent administration fee charged by CAF, ensuring that 100 per cent of staff donations went to their chosen charities. Another component was purchasing and testing software, costing approximately $1,500. The final step was to promote the new scheme to staff and encourage them to sign up.

Macquarie Giving workplace poster.

A variety of activities were used to promote the introduction of the workplace giving scheme at Macquarie, including:

- Staff briefings.

- Application forms distributed to all staff and posted on the intranet.

- An animated email to staff.

- Coasters and bookmarks distributed to all staff.

- Posters displayed in all Australian offices.

- Reminder messages placed in staff payslips.

- Articles placed in the Macquarie in the Community staff newsletter.

This initial promotional campaign saw staff donate $50,000 to 79 different charities over the first 10 months. By December 2003, staff were donating more than $8,000 a month through Macquarie Giving. Now, over $17,000 a month is donated to charitable organisations through the scheme.

Fundamental to Macquarie Giving's growth is an ongoing promotional campaign. Each year the Foundation works to increase support for the scheme by:

- Including a letter on Macquarie Giving, and an application form, in bonus envelopes.

- Updating the Macquarie Giving poster in all Australian offices each year.

- Offering incentives to staff, such as donating $100 to charity for every new person signing up and awarding prizes to staff who sign up the most people.

- Updating information about Macquarie Giving on the intranet.

- Informing new staff about the scheme through Macquarie's induction program.

Since the introduction of Macquarie Giving, staff have donated more than $400,000 to over 150 charities. The average individual donation is just over $70 a month, more than twice the national average for similar workplace giving schemes.

The number of staff participating has steadily increased each year. Last year, for example, there was a 60 per cent increase in staff involvement and a doubling of donations following the major promotional campaign for the year.

Macquarie Giving complements other programs run by the Macquarie Bank Foundation to support staff in their community activities. Through these programs, the Foundation supplements staff donations and assists staff who provide volunteer, fundraising, pro bono and executive support to community organisations.

Macquarie Giving has been so successful in Australia, it has since been rolled out to Macquarie staff in the United Kingdom and talks are underway to make the Macquarie Giving scheme available staff in the United States and New Zealand.

Peace Scholarship Program

By Eleanor Rivers, Manager, Community Relations and Peace Scholarship Program IDP Education Australia

International education plays a critical role in building global peace and understanding. To enhance this role, IDP Education Australia (IDP) initiated the Peace Scholarship Program at the Australian International Education Conference in Sydney in 2001 following the September 11 terrorist attacks.

The Peace Scholarship Program aims to build global peace and understanding through international education and has supported 118 students to date, including the inaugural Peace Scholars from Afghanistan in 2006. It provides financial support for eligible students in selected countries to study in Australia for one or two semesters, undertaking either an undergraduate study abroad program or a postgraduate degree.

The inaugural Peace Scholarship recipients arrived in July 2004. In the first two years of the program, students from eight countries, including Afghanistan, Cambodia, Colombia, Fiji, India, Indonesia, Mexico and South Africa, have been awarded scholarships worth up to $3 million to study in Australia.

Peace Scholarship recipients promote the program at the Australian International Education Conference. Students also participate in a range of fundraising activities, both for the program and also for their individual sponsors.

Each year, one student is acknowledged for their outstanding commitment to the aims of the program and also their community spirit through the Peace Scholarship Program Student of the Year Award. For Pheakkdey Nguon, an IELTS Australia Peace Scholarship recipient and also the 2004-2005 IDP Vodafone Peace Scholarship Student of the Year, the program widened his perspective about how to contribute to his community in Cambodia.

"Through (the Peace Scholarship Program), I am aware that life in this universe is not all about business, greed, politics, racism and discrimination. Instead, it is all about love, joy, sharing, peace and caring which can be achieved by endurance and willingness to accept and value other cultures."

Peace Scholarship recipients from Mexico and Indonesia with Premier Peter Beattie (Queensland Government is a partner of the Program) at the 2005 Australian International Education Conference.

The success of the Peace Scholarship Program requires more than just the will for it to succeed. To date the program has received significant support from a wide range of public and private, national and international organisations, which have committed over $6 million up to 2007.

IDP Education Australia is a major supporter of the Peace Scholarship Program both financially and through providing administrative support. IDP is the largest recruiter of international students to educational institutions in Australia. It is a company owned by 38 Australian universities and recruits over 20 per cent of the students who come to Australia from overseas. IDP has extensive experience in managing fellowship and scholarship programs for governments, international agencies and corporations, and also manages development projects in a number of countries.

Thirty-one Australian educational institutions have also pledged their support for the Peace Scholarship Program, with more than 100 semesters of tuition fees waived annually.

Recipients from Indonesia and Afghanistan.

The Peace Scholarship Program maintains close links with its alumni through a monthly newsletter. The alumni also promote the program in their home countries and offer advice to new recipients.

To realise the full potential of the Peace Scholarship Program, we are continuing to seek partners from all areas – the education sector, corporations, individuals and the community.

For more information, visit www.idp.com/globalpeace or phone (02) 8251 2701 or email eleanor.rivers@idp.com

Reflections on Stanford University

By Kathryn Sydney-Smith, Chief Executive Officer, Western Australian Community Foundation

It has long been a dream of mine to study overseas. I have also admired Stanford University for the thinking, writing and stimulating dialogue that is produced from such a formidable institution and its people. In particular, I've been impressed by the work of its centre for social innovation.

And so when I received an email late last year to confirm that I had been awarded a scholarship to participate in their Executive Program for Not-for-Profit Leaders, it was hard to contain my excitement. I wanted to ring Caroline Simard – the course administrator at the Stanford's Graduate School of Business – there and then.

With the support of the Alcoa Foundation, Australia, I along with fellow Australians Petrina Dorrington, (Kids Undercover, Victoria) and Jack Heath (Inspire Foundation, New South Wales), joined 50 CEO's from 11 countries around the world for two weeks of intense and engaging learning. The teaching program was filled with 'rock stars' and 'quiet achievers'.

From left to right: Brenda Torres (US), Kathryn Sydney-Smith (Aust), Dr Jim Phills (Stanford) Petrina Dorrington (Aust).

Authors of books and papers I have read religiously throughout my career created a teaching program that was enriched by the experiences of the group itself. We listened and learned from Jerry Porras, co author of '*Built to Last*', Jennifer Aaker, social marketing guru, Jeffery Pfeffer, '*Overcoming the Knowing Doing Gap*' and Faculty Director Dr Jim Phills on '*Integrating Strategy and Mission for Not-for-Profits*'.

The course was designed to do more than just teach us about building strong, mission orientated organisations. It armed us with the tools we need to achieve this and importantly, showed us where to start.

Being away from my organisation gave me the time to reflect on my leadership style and the impact I am having on how the Western Australian Community Foundation is evolving. Time is a rarity for all of us in this sector, and in addition to my learning at Stanford, time to step off the treadmill and really 'think' was priceless.

'Capacity management and managing congestion in business processes' was one of the topics I enjoyed the most.

Probably because I find in our sector increasing our capacity to cope with escalating workloads or buying extra time is not as 'easy as ABC'. Jim Patell based his lectures on the classic management book '*The Goal*' by Eliyahu M. Goldratt and Jeff Cox and the use of computer simulations to manage incoming patients at refugee camps.

The curriculum was rich in both theory and practice and nearly every session presented me with a takeaway action that I could use to strengthen our organisation.

Even more valuable an outcome is that I now have a network of colleagues around the world, willing to share their experience and help mentor both myself and Western Australian Community Foundation, as we work to build a lasting organisation.

Stanford University – full name Leland Stanford Junior University – was itself the result of a philanthropic gift from Jane and Leland Stanford who lost their son Leland Jr to typhoid in 1884. The Stanfords' determined that, because they no longer could do anything for their own child, they would use their wealth to do something for 'other people's children. Now with 17 Nobel Prize winners on the payroll, Stanford University is a living-breathing example of the power endowed philanthropic giving can have for centuries. This is reassuring for all the hardworking community and other foundations throughout Australia.

Note: Each year, the Centre for Social Innovation (CSI) at Stanford University selects nonprofit leaders from social and human services, healthcare, community development, and education organisations to become CSI Fellows and participate in the Executive Program for Not-for-Profit Leaders through the Graduate School of Business.

For further information: http://www.gsb.stanford.edu/exed/ epnl/index.html

Members of Philanthropy Australia

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Philanthropy Australia would like to warmly welcome the following new members:

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Margaret Lawrence Bequest
Mary MacKillop Foundation
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Matana Foundation for Young People
mecu
Melbourne Community Foundation
Melbourne Newsboys Club Foundation
Mercy Foundation
Michael Craft Memorial Fund
The Miller Foundation
The Moore Family Philanthropy Foundation
Morawetz Social Justice Fund
The Mullum Trust
The Myer Foundation
Myer Community Fund
NRMA Foundation
National Australia Trustees
National Foundation for Australian Women
Nelson Meers Foundation
Norman H Johns Trust
The Norman Wettenhall Foundation
Northern Rivers Community Foundation
Patrick Brennan Trust
Paul Edward Dehnert Trust
The Percy Baxter Charitable Trust
The Perpetual Foundation
Perpetual Trustees Australia
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Petre Foundation
Pfizer Australia
Pierce Armstrong Foundation
Poola Foundation
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Ronald McDonald House Charities
Rothwell Wildlife Charitable Trust
Sabemo Trust
The Sarah & Baillieu Myer Family Foundation
Scanlon Foundation
The Shell Company of Australia
Sherman Foundation
Sir Andrew and Lady Fairley Foundation
Sisters of Charity Foundation
SoundHouse Music Alliance
F. Spitzer
The Stan Perron Charitable Trust
Stand Like Stone Foundation
State Trustees Australia Foundation
Sunshine Foundation
Sydney Community Foundation
The Tallis Foundation
Tasmanian Community Foundation
Tasmanian Community Fund
Tattersall's George Adams Foundation
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Western Australian Community Foundation
Westpac Foundation
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Carnbrea & Co
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Leukaemia Foundation
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National Aids Fundraising
National Heart Foundation of Australia

National Museum of Australia
NIDA
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Opening the Doors Foundation
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Reconciliation Australia
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The Salvation Army
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St.George Foundation
St Vincent's Hospital Foundation
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The State Library of NSW
The State Library of Victoria Foundation
Surf Life Saving Foundation
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  – Public Committee of Management
United Way Australia
The University of Melbourne – Alumni Office
University of New South Wales
University of South Australia Foundation
University of Tasmania Foundation
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