



# Case Studies of Grantmaker Associations Around the World:

## *An Overview*

### *Drawing Wisdom from Experience*

## I *Introduction*

At the end of 2002, there were over 70 *membership-based* associations of grantmakers around the world, including 28 regional associations of grantmakers in the United States.<sup>1</sup> These associations serve foundations and trusts in more than 40 countries and play a vital role in promoting and supporting philanthropy in its many forms. Each of these associations has a “story” to tell about its establishment and institutional development over time, the challenges it has faced and overcome and the lessons learned from gathering grantmakers together to generate resources, enthusiasm and purpose for philanthropy. The purpose of this book is to share these stories and to highlight the lessons learned for use by others. Each of the case studies included here opens a window on the opportunities and challenges of fostering one part of civil society— philanthropy—in varied political, economic and legal contexts.

This Overview summarizes the key findings and conclusions from the case studies. The lessons learned are drawn together at the end of this Overview in a set of *Guidelines for Grantmaker Associations*. It is hoped that this volume, and its companion, *Philanthropy in a Global Community: Case Studies of Organizations Supporting Community Foundations*, will help foundations and donors, the broader nonprofit community and the general public, governments and multinational agencies alike to better understand the work of these associations and the contributions that they are making to the growth and sustainability of civil society around the world.<sup>2</sup> It is also hoped that it will serve as an inspiration and stimulus for grantmakers in other countries to consider starting an association of grantmakers.

Associations of grantmakers vary greatly in their experience and expertise. They exhibit dramatic differences in scale and in the length of their experience. At one end of the continuum is the Council on Foundations in Washington, DC, which was established more than 50 years ago, has over 2,000 members and a staff of 100. At the other end is the newly incorporated Consorcio Ecuatoriano para la Responsabilidad Social (Ecuadorian Consortium for Social Responsibility (CERES), which was

<sup>1</sup> A number of associations also sponsor membership-based affinity groups that bring together foundations which share a common interest in a topic, issue, or geographic region. Some of these affinity groups are independent, incorporated organizations with their own staff, funding etc; others are more informal groupings. For example, there are 37 affinity groups associated with the U.S.-based Council on Foundations. Many of the associations profiled in these case studies also sponsor affinity groups for their members. Additionally, in 2000 the Forum of Regional Associations of Grantmakers and the Charles Stewart Mott Foundation began a collaboration to document the foundation associations, in addition to regional associations of grantmakers, that operate at the sub-national level in the United States. This effort has uncovered almost 250 funder networks. See *The Need to Network: Toward a Landscape of Foundation Associations* by Lucy Bernholz and Kendall Guthrie, Washington, DC, 2003.

<sup>2</sup> Copies of the two volumes on *Philanthropy in a Global Community* may be obtained by contacting the Director of WINGS through the website, [www.wingsweb.org](http://www.wingsweb.org).

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formally incorporated in 2002, has 11 members and is in the process of establishing its office and program. More than half of the associations have been established since 1990. Not surprisingly, the majority of the associations (75 percent) are located in North America and Europe. Their annual budgets range from US\$15 million to less than US\$30,000. The more established associations rely on multiple sources of income, particularly on membership dues, sales of products and services and grants to meet their annual budget needs; the newer associations rely almost exclusively on grants from members and external donors for these purposes.

*As this case studies project revealed, whatever “stage” of development the associations are in and regardless of the context in which they operate, they generally face common issues and challenges in their quest to expand charitable giving, strengthen the effectiveness of their members and improve public awareness and understanding of the role and contribution of foundations and trusts to civil society.*

This volume tells the stories of ten associations. Four of the studies profile *national* associations; two describe the work of *multinational* associations; and one case study summarizes the work of four, *subnational* associations of grantmakers that bring together foundations at the city, state or multistate level within one country. The associations included in this volume were selected as “case studies” because they represent different modes of formation, different regions in the world, different stages of development and/or different foci in terms of their membership.<sup>3</sup>

<sup>3</sup>A complete list of grantmaker associations in the WINGS network can be found on the website, [www.wingsweb.org](http://www.wingsweb.org).

The **Czech Donors Forum** is a small, nationally-based association that began as an association of external (foreign) donors providing development assistance to the Czech Republic. It gradually transformed itself into an independent association of indigenous donors. The **European Foundation Centre (EFC)** is a multinational association with member foundations from more than 40 countries. It was started with considerable outside donor support, but has developed into a truly international association of foundations and trusts serving grantmakers throughout Europe. The **East African Association of Grantmakers** is also a multinational association. It is an “emerging” association whose story represents in many ways the experience of other new associations founded in recent years or currently in formation. Its members are drawn from three countries—Kenya, Uganda and Tanzania. All three of these associations limit their membership to grantmaking foundations.

The **Grupo de Institutos, Fundações e Empresas (GIFE)** is a national association in Brazil that serves *both* grantmakers and grantseekers. It has developed a program and services to meet the needs of both groups; it also provides a forum wherein these groups with sometimes differing objectives can work productively together. The **regional associations of grantmakers** in the United States are subnational organizations that generally serve either a single city, a state or a multistate region. They are a part of a larger, national network, the Forum of Regional Associations of Grantmakers. This case study provides “snapshots” of four regional associations as a part of the overview of this subset of U.S. grantmaker associations.

Two of the case studies describe national associations of grantmakers that serve particular grantmaker constituencies within their respective countries. The **League of Corporate Foundations (LCF)** in the Philippines serves corporations with grantmaking and social responsibility programs. **Community Foundations of Canada (CFC)** provides support for community foundations and promotes community philanthropy. Each of these associations has the advantage of being able to focus its attention on only one type of grantmaker and to tailor specific programs to meet its needs.



## II *Organizational Profiles*

The case studies describe the context in which the membership association was conceived, nurtured and formally registered as a legal entity. They describe the socio-economic and political conditions of the country and the legal and regulatory frameworks in which the association has developed. There are traditions of giving in support of the poor and disenfranchised in each of the countries represented by the associations presented here. However, those traditions and attitudes about giving vary by culture and are circumscribed by historical experiences and socio-cultural norms.

In some countries, the word “philanthropy,” which is the term commonly used in the United States to describe a range of grantmaking activities, is not the word which best describes the work carried out by foundations in other countries. Indeed, in some countries, the word “philanthropy” often lacks legitimacy or carries negative historical connotations and is rarely used. While the motivation for giving is similar across all countries, the means of giving goods, services and monies to others vary considerably. In many countries philanthropy is understood only in the narrow sense of “charity.” Grantmaker associations are helping to broaden that understanding to include social investment and social change.

The formal **establishment** of most of the associations featured in this volume occurred in the 1990s. The emerging association in East Africa will be formally launched early in 2003. Some, like Community Foundations of Canada and the European Foundation Centre, had their beginnings in the late 1980s though they were not formally incorporated until later. The Forum of Regional Associations of Grantmakers in the United States was founded in 1996, though all but one of its member associations were established before 1990.

*Economic and political contexts have had an impact on the timing and the manner in which the associations developed.*

The establishment of both the European Foundation Centre and the Czech Donors Forum followed the fall of the Berlin Wall in 1989. In the Philippines, the People Power Revolt of 1986 expanded the social and political “space” for civil society. Ten years later the League of Corporate Foundations was able to take full advantage of new opportunities for cooperation between the government, civil society and the private sector. GIFE too was created during Brazil’s redemocratization process. Its initial group of business and foundation leaders came to a growing realization that the Brazilian state was not able single-handedly to satisfy the country’s numerous social demands and that the private sector had to play a bigger role in this regard.

The **mission or purpose** of each association is quite similar. They seek to provide support and services to foundations, promote and strengthen organized philanthropy and cultivate the culture of giving. Several of the associations have specific goals related to promoting particular sub-sectors of philanthropy such as community foundations or corporate philanthropy. Additionally, each has developed its own code of ethics or set of principles of good practice to guide the work of its members by making explicit a set of common values. Commitment to the code generally becomes a criterion or standard for membership and helps to improve the professionalism of the association and its members.

The associations vary significantly in **size** of membership. The largest national and regional level associations profiled, the CFC and EFC, have 120 and 211 members respectively. The membership of the other associations ranges from six to 66 members. The 28 subnational regional associations of grantmakers in the United States collectively serve nearly 5,000 member foundations. The smallest of these regional associations serves 41 members, the largest nearly 500.

There are many common elements in the **governance** of these associations though their governing Boards vary in size and complexity. Board members are elected by the membership or by the Board itself and usually serve for a set term of office. With few exceptions, they are representatives of grantmaking organizations. Some associations also have smaller advisory Boards and/or a number of committees that oversee, and in some cases implement, various aspects of the association’s work. Officers are elected from among the Board members. Association staff

provide support and services both to the Boards and to the different committees of the Boards. The governing Boards, and in some cases the full membership, make decisions about membership criteria, program and budgetary issues. They usually select the chief executive officer and have responsibility to oversee the work of the association.

The **budgets** of these associations vary considerably as shown in Table 1. There is no simple relationship between the number of members and annual budget requirements. However, as membership grows, there is generally a need for more staff to deliver more services to the members. Additionally there is considerable differential in cost structures by region which affect the size of the budget in relation to the number of members. Each of the associations profiled has had to develop various sources of funding to support its work. The more established associations generally have more diversified sources of funding. In addition to membership dues, they often offer services and products for a fee. All of the associations rely on grants, either from their members or external donors (often from other countries), for special projects. Some also depend on grants to underwrite significant portions of their operating budgets.

TABLE 1

Association	Date of Incorporation	Number of Members	Annual Budget <sup>4</sup> (US \$)
Czech Donors Forum	1997	30	\$175,000
Community Foundations of Canada	1992	120	\$1,000,000
East Africa Association of Grantmakers	2003	12-15 <sup>5</sup>	\$ 40,000
European Foundation Centre	1996	211	\$2,920,000
Grupo de Institutos, Fundações e Empresas	1996	66	\$740,000
League of Corporate Foundations	1996	50	\$40,774
Regional Associations of Grantmakers	Various	41-500 (range)	\$27,000-\$12m

The associations provide a wide variety of **services** to their members, the amount and type being generally in proportion to the size and maturity of the association. In addition to providing a safe meeting ground for grantmaking members to exchange information, seek advice and develop networks and partnerships, the services associations may offer include some, but usually not all, of the following:

- Information and communication (newsletters, website, membership directories).
- Professional development and training workshops and seminars on topics of interest to their members. Topics may include association governance, fundraising and financial management, communication with the public and the media, technical skill training, best practices in grantmaking.
- Research on the philanthropic sector, including surveys and the development and maintenance of databases.
- Technical assistance provided by association staff or consultants.
- Public policy analysis, information and advocacy on behalf of members and the broader nonprofit sector.
- Information, training and technical assistance for *grantseeking* organizations, including seminars, directories, libraries, resource centers and online services.
- Education programs on philanthropy for the general public.

All of the established associations hold national or regional conferences, most on an annual basis, for their membership. Some invite other organizations from the nonprofit sector to participate. These meetings provide opportunities for the membership to convene and address important issues, both internal and external to the association. They also provide an opportunity for members and other invitees such as public officials, donors and/or grantees to exchange ideas, discuss best practice and form partnerships. These conferences serve not only to convey the most recent information about the legal and regulatory environment, good grantmaking practices and technical skills, but also to excite and energize members and provide an opportunity for members to become better acquainted with the work of their colleagues in other foundations.

<sup>4</sup>Budget numbers are approximate for the years 2002 or 2003.

<sup>5</sup>Estimated number of members at the "launch" of the association.



Many of the established associations have also provided “links” to the broader global philanthropic grantmaking community through their involvement in WINGS and other transnational organizations and meetings. This too is a service to their members, though there might not be a direct connection between their members and the international activity. However, as the leadership of the associations join with their colleagues from other countries, their knowledge and experience in working with grantmakers is enhanced and should therefore enhance the work of their members.

## III *Challenges*

Despite their many “visible” differences, grantmaker associations around the world face surprisingly common challenges and recurring issues in establishing and growing vibrant and viable associations. These issues or challenges can be divided into several categories: diversity and member services; governance and institutional development; financial sustainability; public policy and government relations; and educating the public about philanthropy. The following paragraphs explore the parameters of these challenges and provide examples of the ways different associations have addressed them.

### **Diversity and Member Services**

*A constant theme throughout the case studies is the challenge of meeting the diverse needs of the membership. Whether the diversity is a result of geography, size, ethnic or language differences, political realities, level of maturity, grantmaking focus or grantmaker type—addressing diversity is a constant for all associations.*

An overall requirement of grantmaker associations is to create a unity among their members that amounts to a broad, encompassing interest in the well-being of society. To build this broad-based interest, each association must incorporate the diverse interests of various grantmakers into its overall effort. Community Foundations of Canada has faced the challenge of diversity at several levels. It has learned the value of “excellence in communications” that demonstrates sensitivity to equity issues in the midst of the diverse interests and needs of its membership. It has also hired regional coordinators to be more responsive to the diversity of its members.

The European Foundation Centre not only contends with geographic diversity resulting from its multinational membership, it is confronted with profound cultural, historical and linguistic differences as well. Building a “European” philanthropic consciousness, even defining the meaning of “Europe,” has been an enormous task. Additionally, the word “foundation” has different meanings in different countries, which has made decisions about membership a major issue. The EFC responded to this situation, in part, by developing a European Code of Practice for philanthropy which has been important not only in building this “consciousness” but also in developing and unifying the membership. The new East African Association of Grantmakers has taken the same approach with the development of a Code of Ethics as part of its constitution.

In Brazil, diversity among GIFE’s membership can be seen in the different stages of development, characteristics and interests of its member organizations, many of which are not grantmaking foundations. This diversity has been both an asset and a liability. The wealth of information and knowledge contributed by members has been an asset; however, the multiplicity of demands for service from the members has sometimes been a liability. In the early years, this diversity hindered the development of consensus. GIFE responded, in part, by identifying and prioritizing encompassing themes and services that affected all members.

In making the transition from an informal, donor initiative to a registered organization, the Czech Donors Forum faced divisions in its members' expectations and goals for the establishment of an association. It dealt with this challenge by revisiting its goals and membership criteria annually and bringing its members into the decisionmaking process about its work and activities. The League of Corporate Foundations (LCF) has struggled with similar issues even though it has only one type of members. Its members had different corporate mandates and, at the beginning, these affected their ideas about the objectives and purposes for the association. LCF learned early on that "cooperation and transparency" are key to the building of relationships which enable grantmakers to learn from each other and work together.

One response to diversity tried by a number of associations has been the establishment of affinity or interest groups within the association that are subject- or geographic-specific. These groups meet together to discuss problems and issues of concern and develop cooperative approaches to bring about change through philanthropy. The multinational EFC established a separate program for corporate donors, Corporate Citizenship Europe, to promote good corporate giving practices and facilitate the exchange of information and best practices among their corporate members. This program has also improved the understanding between corporations and foundations about the way each group operates and the "added value" of partnerships.

For all associations, this diversity poses a significant challenge in terms of the *provision of services* to members. Smaller associations do not have the resources to provide a broad range of services to foundations with vastly differing interests or needs. Philanthropy Northwest, a subnational association located in Seattle, Washington, worked with a consulting firm and conducted market research to develop a new array of services to address the changing needs of their existing and potential members. The EFC developed a public record, a database, on the independent donors in its membership and in the process gained a better understanding of the diverse needs of these entities so it could develop appropriate services to meet their needs. They also developed the Community

Philanthropy Initiative (CPI) to promote the development of community-based philanthropy throughout Europe.

## Governance & Institutional Development

All of the associations have faced the challenge of establishing standards for good governance practices to make them effective in managing their organization and its programs and to enable their diverse membership to act collectively. For each association, from the start, there is the question of why an association is necessary and how it will make a difference in the work of member foundations.

*Developing vision and mission statements as well as strategic objectives for the association is an important way that members can work together to confirm their identity and establish a framework for governance and institutional development.*

In most cases, the founding members have met informally for a period of time before incorporating or registering as an association. At that point, the new members are confronted with the task of establishing their governance structure, including a Board, and defining the lines of authority and loci of accountability. They have to decide how the Board will set the organization's direction, ensure the availability of adequate resources and develop appropriate policies to monitor the financial, legal and programmatic activities of the association.

Some of the associations described in these case studies have defined the "stages" of their development in terms of their evolving governance structures. The case studies on CDF, GIFE, LCF and the regional associations of grantmakers in the United States describe these stages and the various challenges and issues which they have faced at each stage of their institutional development.

One of these issues is "ownership." The differences in the size, purpose and grantmaking focus of the member foun-



dations can be reflected in their views about how the association should be governed. The incorporation process is important as it requires the members to develop a set of principles (sometimes embodied in by-laws) which will govern the association. In the case of the CDF, for example, the foreign donors were anxious to register the association formally; the Czech foundations, on the other hand, were initially reluctant and had reservations about being “overshadowed” or “controlled” by the association and its more powerful members. Gradually, the members realized the value of an association that would be “truly neutral and independent” and they proceeded with registration.

Another challenge is the definition of the roles, responsibilities and relationships between and among the members, the governing Board and the chief executive officer and other staff. Together, the members, Board and staff need to decide ways that the association’s organizational direction, financial stability and oversight will be managed. The EFC, for example, has established five major policy bodies or committees to guide its work. These, in turn, report to the Governing Council made up of EFC members. The Governing Council sets and oversees the vision, mission, institutional goals and strategies of the EFC. It is accountable to the Annual General Assembly of members. Some, like the CFC, decided it was important to codify these relationships and delegation of responsibility. Hence, they prepared a set of governance documents that outline the respective roles and responsibilities of the various parties. These documents are reviewed and updated regularly.

Nearly all associations have developed a multiyear strategic plan to guide their work. Such plans derive from the vision and mission of the association and articulate the strategic objectives for both the long and short term. While the development of this plan is usually the responsibility of the governing Board, most associations have found that involving their members in the process has valuable long-term benefits in terms of their commitment and contributions to the association. For example, after 18 years of successful operation, the Donors Forum of Chicago embarked on a strategic planning process to assure that the organization remained relevant, effective and responsive to members. It encouraged a high level of member input and participation which brought the board and staff closer to member interests and needs and generated excitement about the organization’s work both within and without.

## Financial Sustainability

The quest for financial sustainability challenges all associations. They are effectively confronted with a “chicken and egg” dilemma. They need financial resources from the beginning to develop the services their members need, but they must develop a track record of serving their members before they can ask for money to develop needed services.

*Financial stability is linked to the successful promotion of the value of the association to its members, to donors and the public.*

A first step is to determine *who* has responsibility for raising funds for the association and *how* funds will be raised. Some associations rely on Board members to raise funds; others rely on staff members to develop resources. In either case, it is helpful to establish a Board committee to advise and support the full Board and/or the staff and oversee the financial activities of the association.

Typically, associations raise funds from members through dues and grants and from fees derived from the provision of services and publications. Many associations began with sizeable grants from external donors (from governments and/or foundations) and some continued to receive this support to cover their “overhead” costs for a considerable period of time. The challenge is to initiate an endowment-building process to help meet recurring costs and to find ways to generate recurring grants to support special projects and programs which will help the association grow and maintain an appropriate level of service for its members and the sector as a whole. Balancing fundraising activities with all the other day-to-day work of the association is an added challenge.

In response to these challenges, associations have developed creative approaches to fundraising. The League of Corporate Foundations asks some of its member foundations to supplement annual membership dues, defray expenses for common activities and occasionally fund special League projects. The European Foundation Centre and the Czech Donors Forum have depended, in part, on grants from external donors for a significant share of their annual income. However, both have learned that harmonizing the needs and aspirations of the members with the expectations of the donors is another challenge. The EFC

has also adopted the practice of seconding staff from its members as a cost-effective way of obtaining needed resources.

GIFE has developed an array of publications and services both for its members and for the sector overall that brings in a substantial portion of income. The regional associations of grantmakers in the United States rely on dues for 20 to 100 percent of their core budgets. Dues are generally assessed on a sliding scale according to the size of the members' assets.

### **Public Policy and Government Relations**

In most, but not all, of the countries profiled the national legal and regulatory environment has not been particularly hospitable to foundations or to civil society as a whole.

*Associations work to assure the legal status for foundations and other civil society organizations, promote tax laws to encourage and protect philanthropy and collaborate with other organizations to change the public policy environment on issues of particular concern. At the same time they must also balance their members' varied interests in advocacy for a better legal and regulatory framework for foundations with their own institutional interests in maintaining cordial and productive relations—not only with the government but also with the other NGOs with which they work.*

Additionally, while some members may value an association's leadership in the public policy arena, others may view it as a "distraction" from the association's other responsibilities to members. The key is to involve members, including senior management, in the process of defining the association's policy positions.

In the Czech Republic, for example, the status of foundations was not precisely defined until a law on foundations was passed in 1997 that defined foundations as associations of assets expressly established for the achievement of socially beneficial aims. The CDF initiated and led a process to review foundation law and proposed changes which allowed foundations more advantageous investment possibilities. In the Philippines, LCF has played an important role in safeguarding the tax deductibility of corporate donations. It also helped to establish a government-approved, private sector organization to certify the tax deductibility status of NGOs.

Canada and the United States, on the other hand, have long had legal frameworks that support charitable and nonprofit activity. In both countries, the tax codes have provided incentives for individual and corporate donors, especially to charities and public foundations such as community foundations. Nevertheless, the grantmaker associations in both countries have played very important roles in monitoring changes in the tax law and in working to protect their grantmaking members as well as civil society as a whole. The work of CFC in this regard has raised the "profile and visibility" of community foundations and moved CFC into a leadership role in the nonprofit sector.

In Europe, a Legal Task Force was constituted for the purpose of promoting the legal operating framework for foundations in Europe. In this process it had to relate to legal traditions with roots in the social, political, and cultural histories of very different states. The Task Force has developed country profiles covering the legal environments for foundations in European Union Member States and is developing a model statute for foundations based on this comparative study.

### **Educating the Public**

Grantmaker associations face a two-fold challenge in raising awareness and educating the public about philanthropy. The first challenge is to educate opinion-formers and the media to help influence the general public about the contributions philanthropy makes to society. The public in the countries profiled in these case studies generally understand only traditional charitable activity. They are accustomed to giving through their church or other faith-based institutions; they respond to natural disasters, children and employees in need.



In trying to broaden the public's understanding of the role and potential of philanthropy and the importance of social investment, associations may need to undo decades of distrust and skepticism as they seek to help "philanthropy" recover its reputation and regain respect and trust. The associations need to develop an external communications strategy for communicating the message not only about the contributions of their individual members to the community but also about the value of philanthropy overall.

Each of the associations profiled has accepted the role of public educator in one form or another. Some, like GIFE, have worked hard to develop good relationships with the media. They recognize that the media are critical allies in efforts to raise public awareness about philanthropy in general, as well as about particular forms of philanthropy such as corporate giving and community foundations. Other associations have developed publications to promote the work of foundations and good grantmaking practices and to explain legal and regulatory issues.

LCF established an annual public event (Corporate Social Responsibility Week) to promote the work of its members. CFC led a national initiative (Our Millennium) to encourage citizens to give to their communities and in the process educated the public about the work of community foundations.

*The second challenge is to educate the association's members and the broader nonprofit community about the potential of philanthropy as an agent of social change. Many grantmakers continue to hold on to traditional approaches of "giving" and do not appreciate the potential of social investment. The association has a role in helping their members become better, more strategic grantmakers.*

In remarks at a Latin American/Caribbean regional meeting on philanthropy in November 2002, Susan Berresford, President of the Ford Foundation, addressed the important role associations of grantmakers must play in educating their members and the public about philanthropy. She stated:

*Charity is important and necessary, but most often charity soothes and supports, helps and holds. It does not get at root causes or change basic conditions. If grantmakers want to be an important force for change, they will have to move beyond charitable care to development objectives. [To shift from charity to change], grantmakers need to communicate to the public how modern philanthropy fits into their country's altruistic traditions.<sup>6</sup>*

The regional associations in the United States work to improve understanding of philanthropy by providing information, training and technical assistance to both grantmakers and grantseekers. They also provide resource centers, workshops, and online sessions as part of their efforts to educate the public about philanthropy.

These public education efforts on the part of grantmaker associations can help to mobilize society and bring new members to the association. They may also provide increased legitimacy for members and their work and help restore trust and respect for philanthropic activities.

<sup>6</sup>The full text of Ms. Berresford's remarks can be found on the WINGS website, [www.wingsweb.org](http://www.wingsweb.org), under the report of the Regional Meeting on Philanthropy in Latin America and the Caribbean.

# IV

## *Guidelines for Associations of Grantmakers: From Experience to Wisdom*

The *Guidelines for Grantmaker Associations* are drawn directly from the case studies. They reflect the experiences and lessons learned by various associations of grantmakers. It is hoped that the wisdom drawn from diverse experiences and reflected in the *Guidelines* will help new and emerging as well as established associations of grantmakers around the world to improve their effectiveness and contributions to promoting philanthropy.

*“An association’s path to development is not always a straight line; it can grow and plateau and grow again, or be catapulted to different levels by changing circumstances, new strategic leadership and vision or the timely addition of resources.”<sup>7</sup>*

<sup>7</sup>See case study on “Regional Associations of Grantmakers in the United States.”

## GUIDELINES FOR GRANTMAKER ASSOCIATIONS

### Diversity and Member Services

- Develop a Board of Directors representative of the diverse membership.
- Be sensitive to language issues that may divide the membership.
- Involve members in establishing program and service priorities.
- Be communicative. Develop ways to communicate regularly with members about the work and programs of the association.
- Create a meaningful agenda for meetings and find common issues on which to concentrate, especially in the early stages of development.
- Remember that your “business” is serving members and assisting them to become more effective grantmakers. Be responsive and consistent.
- Make tangible products and services for members available from the beginning. Ensure that these products and services address the needs of the members.
- Find ways to serve the whole donor community, not just members, as a way of encouraging collaboration, exchange and good practices.
- Develop a code of ethics or standards early on to promote a set of common values or principles of good practice and participation.
- Establish affinity or interest groups for mutual exchange and collaboration.
- Consider placing regional coordinators for large geographic regions or multinational associations.
- Build a culture where members accept that not everything the association does must meet the needs of all members but can reflect the priorities of sub-sets of members.

### Governance and Institutional Development

- Establish a clear vision, mission and strategic objectives at the beginning of an association. Review these periodically and make adjustments to accommodate change or new understandings.
- Create a strong and committed governance structure that provides for appropriate leadership.
- Choose Board members and officers carefully and draw upon their vision and skills in strategic thinking and planning.

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## Guidelines for Grantmaker Associations *CONTINUED*

- Clarify the different roles and responsibilities of members, the governing Board and the staff in terms of their respective leadership responsibilities, authority and accountability.
- Develop objective and selective membership criteria which open the association's doors only to credible organizations.<sup>7</sup>
- Develop a consensus-building process with members for the deliberation of key issues related to the institutional development of the association.
- Remember that both association staff and Board members need access to professional development opportunities to keep up with trends and issues in philanthropy, association management and best practices in grantmaking.
- Consider that adding staff at critical junctures can make all the difference in expanding a regional association and enhancing its services and value to members and the community.
- Establish clear guidelines to avoid conflicts of interest among members, or between members and the association itself, and create instruments that facilitate decisionmaking and conflict resolution.
- Build consensus gradually and focus on developing services based on members' needs. Whenever possible, give leadership of projects to members while providing strong technical assistance.
- Remember that transparency and accountability are the critical elements in building trust, respect and confidence in the association and its members.

### Financial Sustainability

- Develop a fundraising strategy and diversify sources of association income. Key sources of current income are member contributions and dues; fees and the sales of products and services; and grants for special projects from members and other donors.
- Work to establish an endowment for long-term sustainability and stability.
- Seek to keep the secretariat as small as is appropriate. Be sure that members recognize value for money in what their association offers.
- Consider seconding staff from member organizations for specific projects or periods of service.
- Do not spend money on unfunded projects.
- Determine the Board's role in, and responsibilities for, fundraising at the beginning. Define expectations and help members become aware of the role they can play in helping to finance association projects.
- Establish a Board committee or task force to advise and support the staff and to oversee the financial activities of the association.

### Public Policy and Government Relations

- Be attentive to the changing socio-economic and political context for philanthropy and be prepared to respond to these changes.
- Choose very carefully the issues the association will support. Concentrate on issues of importance to the members, but if appropriate, keep in mind the public policy needs of the broader nonprofit sector.
- Involve members in the process of defining policy positions. Then involve key leaders in the membership when seeking to influence public policy and government officials.
- Dedicate time for conceptual discussions and the definition of policy positions which represent the members' needs and interests. Don't push too hard on public issues until the members feel ready.
- Develop partnerships with other organizations to achieve common policy objectives.

### Educating the Public

- Develop a communications strategy that helps both the association and its individual members to be more effective in their work of educating the public.<sup>8</sup>
- Build strong relationships with the media as the main vehicle for public education about philanthropy. Remember that establishing a relationship of trust with the media is a long-term engagement.
- Contract, when appropriate, with specialized professionals who have the appropriate contacts, skills, etc. required for communications work.
- Be prepared. Seek media attention for the *cause* rather than the association's visibility.
- Prepare for a constantly increasing investment in information technology and the building and creating of knowledge.
- Participate in national and international networks to share expertise and experience, develop alliances and help to establish standards of practice.
- Develop programs for the public that will increase their involvement with philanthropic activities.
- Develop publications and other educational materials that demonstrate the social value and impact of members' programs. Highlight the individual and collective contributions of members to the community.

<sup>7</sup>See "Top 10 Learnings from the Prague Peer Learning Meeting on Membership" on the WINGS website, [www.wingsweb.org](http://www.wingsweb.org).

<sup>8</sup>See the final report of the Mexico Peer Learning Meeting on "Communication Strategies and Information Technology" on the WINGS website, [www.wingsweb.org](http://www.wingsweb.org).