

The quest for resources—A road map for new
community foundations in Italy:
Mobilising, attracting, creating wealth
in and with the community

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The quest for resources: a road map for new community foundations in Italy

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The word utopia is the most convenient way to discount something as being impossible when you don't want to do it, you are not able to do it or you are not brave enough to do it.

*A dream remains a dream only until you start working on it.
Then it becomes an intention, which is something infinitely bigger.*

Adriano Olivetti, 1952

We have a strategic plan. It's called doing things.

Herb Kelleher (as seen in the offices
of the Belfer Center for Innovation and Social Impact)

ABSTRACT

The role of community foundations is evolving, however the need to obtain donations to support grantmaking activities and to achieve long term sustainability remains unchanged. New community foundations with no endowment and little or no staff, can find the tasks of fundraising and attracting, engaging and maintaining donors confusing and time consuming. Mobilising the community's internal resources, attracting them from the outside and/or creating them by promoting innovative programs and partnerships are all paths that should be explored. This paper tries to address the questions community foundations need to ask about their context and organisation and aims to describe different fundraising/wealth generating tactics that are available to new community foundations.

INTRODUCTION

The role of community foundations (CFs) is becoming more complex and layered every day. Once upon a time, we would have been contented which grantmaking, intended as financially supporting programs that increased the quality of life of the community, specifically that of the more vulnerable among us. Nowadays, it is evident that to be effective we must, at the very least, also cultivate community leadership and engage in advocacy, invest in organisations and foster a more diffused and long lasting giving climate.

Whatever activities you believe your CF should prioritise to maximise the benefit for the community, *some* financial resources are necessary. And for new community foundations, the struggle to obtain these, and thus activate the virtuous cycle of philanthropy, can be overwhelming, confusing and time consuming.

In this paper I aim to outline some of the many possible paths that a newly founded CF, without economic independence and sustainability for their grantmaking, can take in order to obtain the financial resources needed to continue grantmaking and to achieve some degree of sustainability. Each CF will have to analyse the different possibilities and decide which path to take. Knowing what paths are there, however, seeing them outlined on a road map, can be of great help to a new CF. And given the great impact that CFs are having on their communities worldwide, I would hope the number of organisations starting out will be more and more.

The paper focuses mainly on the Italian context, an area where community foundations are gradually becoming a recognised movement, but have not yet completed their journey.

DEFINITIONS

Community foundations and grantmaking

According to Community Foundations of Canada (2002), “All community foundations combine three main roles:

1. Endowment building and flexible, comprehensive donor services;
2. *Broad and effective grantmaking*;
3. Inclusive community leadership”.

Every community foundation however is unique in the way it fulfills these roles and in the priority it places on each area. The emphasis on each role can also vary at different times in a community foundation’s development process (*Appendix 1*).

Reynolds (2008) also writes about CF’s three main functions: “*It is a grantmaker. It is a vehicle for the philanthropy of individuals, corporations and organisations [...]. It provides leadership in the community it serves [...]*”.

More recently Barry Knight and the many practitioners interviewed for the paper “The Value of Community Philanthropy. Results of a Consultation” (2012) defined CFs as:

1. Being organized and structured;
2. Being self-directed;
3. Characterised by an open architecture;
4. Being part of civil society;
5. *Using their own money and assets*;
6. Building an inclusive and equitable society.

The first four qualities are applicable to many different types of CSOs. For community philanthropy the fifth item on the list needs to be present.

Recently the focus of the CF discourse, at global level, has moved away from grantmaking and towards other defining elements of a CF’s activity (e.g. community engagement or leadership). In this paper I take a step back and concentrate on grant making, a less popular topic at the moment, but an important one for a new CF that starts out without an endowment in a geographical area where other types of community assets are fairly well developed and the mandate given to the CF is that to make financial resources available for the benefit of the community.

Assets, wealth, resources

The importance of financial assets as a basis on which to build a new CF’s activities, and also its credibility, are highlighted by Patten (2008) who writes: “With money, more grants can be made; the opportunities for visibility are heightened; the foundation is more sustainable”. Command & Mersereau (2001)

also suggest that the purpose of a CF is to positively impact the community “effectively deploying community capital in order to fund activities and grants”.

In 2007, a Quality Accreditation for community foundations was introduced by the UKCF network which states that in order to be recognised as a CF, an organisation has to have “policies for investment of funds and a supporting financial strategy”, must “continually seeks philanthropic funding from a broad range of donors to build endowed and flow-through funds”, and must have a “business management model based on philanthropy” (*Appendix 2*).

METHODOLOGY

The information contained in the paper was gathered during the course of the 2018 Senior International Fellows Program at the Center for Philanthropy and Civil Society at the Graduate School of the City University of New York in the following ways:

1. Lectures and meetings with scholars and practitioners from a variety of fields;
2. Structured conversations with Fellows;
3. Review of literature.

References of literature and conversations are listed in the References section of the paper.

HYPOTHESIS

The efficiency and effectiveness of a new CF in fundraising/generating wealth for its community is determined by the capacity of the CF to obtain and interpret data about context and organisational characteristics and to cross referenced the data in order to:

1. select and implement the most appropriate tools/tactics to mobilise, attract and generate assets, wealth, resources¹;
2. develop the best fitting strategy for fundraising/wealth generating strategy for the context and organisation.

¹ It should be noted that I attach no moral value to one tool or another, but rather take a pragmatic approach. I believe that if an accurate analysis of context and organisational characteristics has been carried out and it shows that at that time for that specific CF, donor oriented funds, as opposed to participatory grantmaking for example, are the best tool for that organisation and that community, then there is nothing intrinsically wrong with promoting donor oriented funds as long as this allows to maximise the benefit for the community.

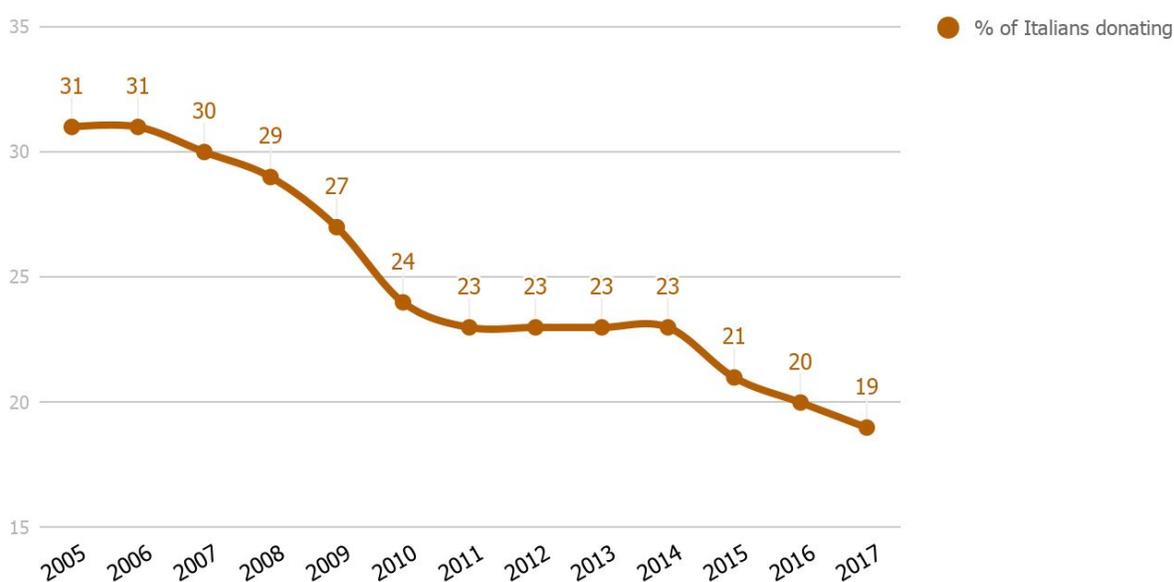
CONTEXT: THE GIVING CULTURE IN ITALY

The Charity Aid Foundation reports that in 2017 giving has decreased across the globe and, in particular, every Western country in the top 20 ranking countries has decreased its score.

Italy ranks at the 84th position of the CAF World Giving Index. The only two Western economies below Italy are Portugal at the 104th position and Greece at the 114th.

In general, the giving climate in Italy does not appear particularly favourable at the moment. GfK Eurisko (2017) has found that only 19% of Italians have donated money to NPOs in the last twelve months, confirming a downwards trend that started in 2006 with a loss of an estimated 6 million donors along the way².

Chart 1: Percentage of Italians donating money to nonprofits 2005-2017 (Source: GfK Eurisko, 2017)



Italian donors are evenly distributed across the country and across urban and rural areas. Donors are mainly adults or older adults with a high educational and cultural profile.

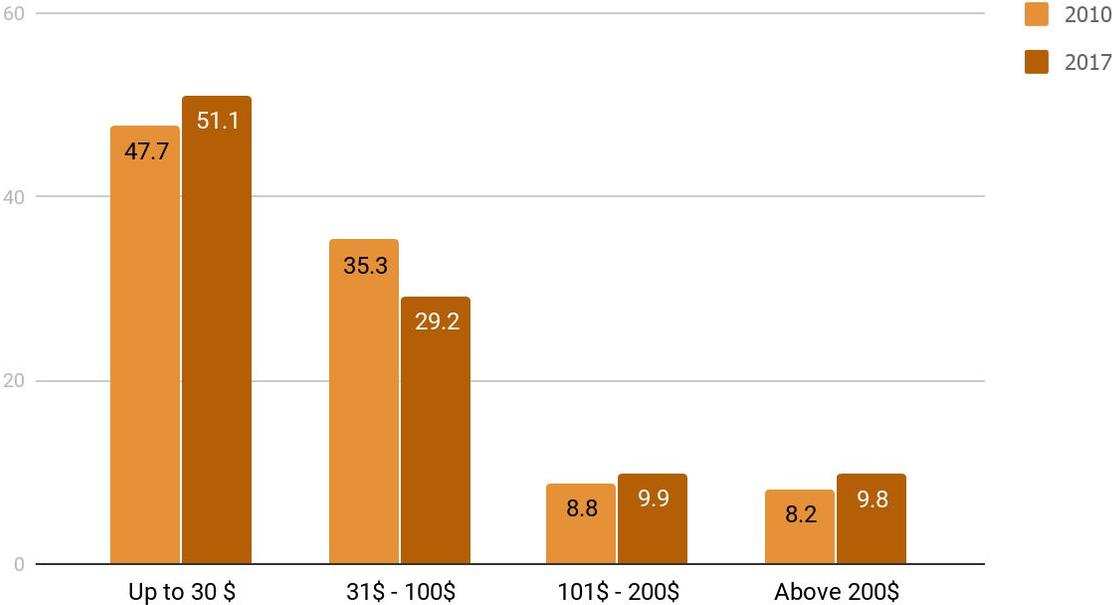
In 2017 all the main causes Italian donors give to have experienced a decrease in donations, particularly those related to international aid (-11%) and scientific research (-3,4%). Donations to NPOs that fight poverty in Italy have remained

² Data from the US shows an 8% increase in donations from individuals in the past two years (CCS, 2017). I could not find data on the amounts donated in Italy but it seems unlikely that a significant decrease in donors numbers does not at least in part correspond to a decrease to the total amount of donations.

stable. This trend might somehow favour CFs, whose grantmaking is local and transparent, over other types of NPOs.

According to the GfK Eurisko report (2017), there has been a significant increase in small donations, a slight increase in big donations and a decrease in medium sized donations, as shown in the following table. This is also something new CFs should consider, developing ways of facilitating small donations (e.g. 30 euros per year) without being swamped by the logistics and the expense of collecting many small donations.

Chart 2: Amounts donated by Italians to NPOs in a year (Source GfK Eurisko, 2017)

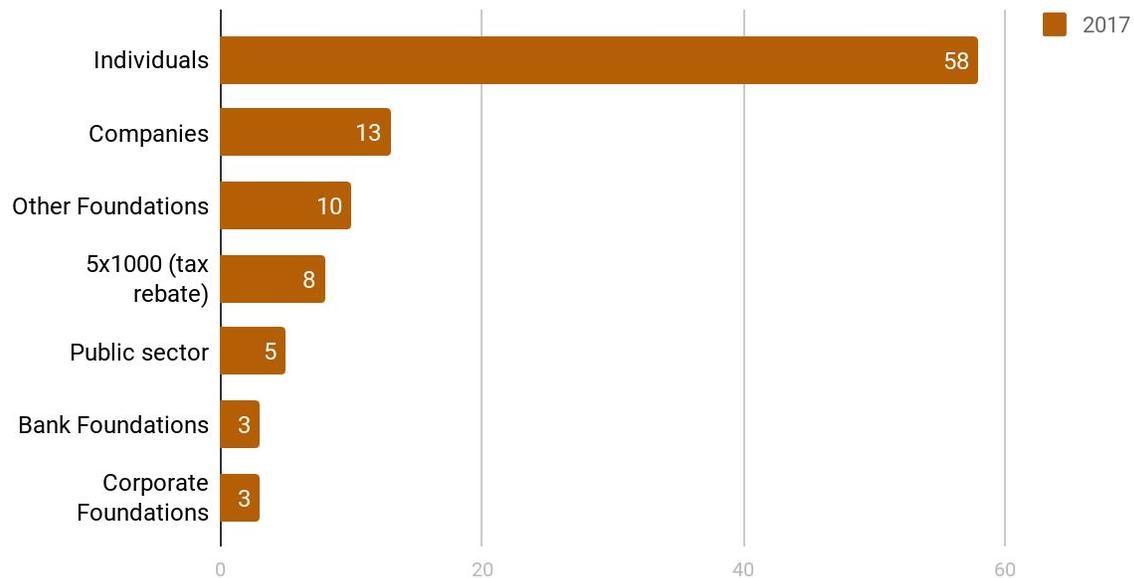


A large number of Italian donors donate to three or more NPOs (31%), followed by a 27% of donors who give to two NPOs and 42% that give to one. This is encouraging news for new CFs as their initial donors will almost certainly be donors who already give to others.

With regards to NPOs, the 2017 report on giving in Italy carried out by the Istituto Italiano della Donazione (Italian Institute of Donations) has found that for 30% of NPOs the biggest challenge is finding new donors, followed by the problem of finding new ways of attracting/engaging donors (25%).

The main sources of donations to NPOs in 2017 have been, by a significant margin, individuals.

Chart 3: Main sources of donations (%) for Italian NPOs in 2017 (Source: GfK Eurisko, 2017)



The GfK Eurisko report (2017) also provides data on how Italian NPOs collect donations: 32% are paid in cash, 28,3% via sms messages³, 21,1% through postal orders and 14,3% by buying products whose proceeds support the NPOs⁴. Only 4,2% of donors give with credit cards and 13% give in “other”, non specified ways.

The most used and at the same time most effective tools used by Italian NPOs to attract donations are still face to face meetings or events (26%), direct mailing (25%), “on the street” collection points (15%) and asking companies for contributions (13%) (Istituto Italiano della Donazione, 2017). On the whole, a very traditional way of giving and collecting donations is prevalent in Italy, although it is unclear if this is due to the lack of alternative giving infrastructure (ie. online giving through crowdfunding campaigns or during giving days such as #GivingTuesday) or to a certain level of distrust on the part of the donors towards other channels. In any case this pattern of giving may be advantageous to small new CFs who don’t have the resources to invest in building, operating and maintaining online giving infrastructure.

³ Donations via sms are used mainly when a natural disaster occurs, such as the 2015 and 2016 earthquakes in Central Italy, as a way of responding quickly in times of emergency. Fundraising through SMS for natural disasters is generally managed by the Government or telecommunications companies.

⁴ Buying fruit and plants on Mother’s Day or other similar festivities is a traditional channel used in Italy by medical and scientific research charities to fundraise.

The results of the third edition of the “Donare 3.0” (*Giving 3.0*) research project (Duepuntozero Doxa, 2017) confirm that online giving is on the rise in Italy among those who habitually use the web (*Appendix 3*), although 70% of young people (18-24 year olds) interviewed also said that they don’t give because of a perceived lack of transparency on the part of the NPOs. These are also important elements for a new CF to consider, especially if they decide to target young donors.

FINDINGS

A new CF must map and understand its community and itself in order to maximise the sense of ownership the community has towards the foundation and thus the CF’s positive impact on the community. Data allows a new CF to better fundraise and attract donations, but also to “understand issues and audiences, evaluate and communicate successes, inform funding decisions, find partners to connect and collaborate” (Tierney, 2018).

A new CF has to acquire data through formal and informal channels and in a “deliberate, reflective and strategic” (Patten, 2008) manner in order to start building a picture of the ecosystem of which it is a part. Patten (2008) also reminds CFs that knowledge, which comes through data, is an important asset as “reputation as a trusted community leader is closely tied to its deep knowledge” of the community. Furthermore, a CF with accurate data can inform the community about issues that need attention, now or in the future. By integrating the data lens into the new CF’s work, smarter, more refined, innovative solutions and collaborations may arise, improving the overall performance of the CF as a generator of wealth for the community.

“Data is everywhere, but the philanthropy and nonprofit sector lag behind in how to use it effectively” suggests Tierney at the Foundation Center (2018). Larry McGill (2018) adds, encouragingly, that CFs are allowed to use imperfect data to start building a picture of their context, provided they put in place the appropriate caveats.

Data collection is difficult and expensive, but CFs can establish working relationships and partnerships with academic institutions in their area in order to carry it out with minimum cost and effort, offering job placements, research opportunities and topics for dissertations to local students.

Context variables

In analysing context variables new CFs should focus on the areas described below. Items are not necessarily advantages or disadvantages per se, only elements that it is important to consider and be aware of in order to plan strategically and position the CF in the best place to do the most good.

1. Territory

When looking at territory it is important for a new CF to focus on the characteristics that give its inhabitants a sense of belonging and associate the CF to those characteristics in order to create a sense of ownership. A new CF in a small town, such as ours for example, has the advantage of a “simplified leadership structure; easily identifiable donor prospects and cheaper, effective promotional avenues” (Leonard, 1989). On the other hand a smaller territory can mean fewer resources to tap into and a difficulty for the community foundation to stay above the local power dynamics. A larger, urban territory might mean more difficulty in reaching the community, but also a more dynamic, active and fluid environment.

2. Demographics

A new CF should acquire and analyse data on the size and geographical distribution of its community (i.e. urban vs rural housing), on age and gender, on the socio-economic characteristics of the population, on levels of education, on interests (e.g. arts and culture, sports, politics). This type of information can influence the area in which a new CF chooses to start funding, with a view to supporting useful programs but also engaging a certain type of donor.

3. Wealth and economic development

According to Leonard (1989), a CF needs a wealthy economy to flourish, but recent examples of successful CFs in deprived areas of the USA, in Eastern Europe and in the Global South have shown that availability of financial assets within the foundation or the community are not an essential, sine qua non condition for donor participation and engagement to occur. However, in order to develop the appropriate asking tactics a CF should know how much financial wealth is available in its community and who controls it.

4. Giving climate/traditions/culture

The CAF World Giving Index often dismantles assumptions about the link between wealth and generosity. This year only six members of the G20 appear in the list of top 20 countries and of these, four of the very wealthiest nations have seen a decrease in score this year (United States, Australia, Canada and the United Kingdom). On the other hand Myanmar, Indonesia and Kenya, countries that are ranked as lower income by the IMF, occupy the first three positions.

Understanding the giving climate of the context in which you operate, what motivates it (i.e. religious doctrine, moral values such as “ubuntu”) and how giving materially takes place is essential knowledge to have to attract donations and develop donor engagement.

5. Political climate

Grantmaking, even if participatory in nature, entails a degree of power on the part of the individual or organisations that has “found” the financial assets that make grantmaking possible. Power is always a political asset, at least in Italy. A new CF, by making financial resources available to the community, is taking some power, possibly taking it from someone else. It is therefore important to be aware of the power and political dynamics of a territory and place the CF above them. In order to do this effectively it is important to ask questions such as these (Rosenfield, 2018⁵): Is the community conservative or liberal? Is there a climate of trust or distrust towards local authorities? And towards NPOs? Is there active contrast between the local authorities and local CSOs? How do your organisation’s aims and objectives fit with those of local leaders and local/national policies? Who can you identify as a potential partner?

6. Interconnectedness of the community

Take into consideration interconnectedness both from a practical point of view (i.e. are there roads/public transport? Is it easy to convene? To reach the CF’s offices? How can the CF facilitate face to face meetings with citizens, donors, organisations?) and from a relational point of view (i.e. what kind of organisations already exist? How do they foster a sense of ownership and belonging among their members? Are there networks of associations working on common themes already in place? How can a CF facilitate their work?) (Rosenfield, 2018).

7. Assets and needs of the community

CFs can try to collect data on the assets and needs of its community using the “Asset-based community development (ABCD)” method developed in the early Nineties by John L. McKnight and John P. Kretzmann at the Institute for Policy Research at Northwestern University. ABCD is a bottom-up way of working with communities that focuses on community strengths and assets rather than on deficits and problems. It works by identifying and mobilising individual and community assets, skills and passions and it is community and relationship driven. This positive proactive approach may engage those donors that feel overwhelmed by the many dramatic needs of the community and focus their giving on attainable goals.

⁵ In her paper Rosenfield reflects on the ethical framework of international philanthropy and on the questions to ask around projects and programs. Her reasoning can be usefully applied to local giving and to organisations as opposed to programs.

8. Relevant issues

Are there any common, shared concerns or relevant issues in the community (i.e. land conservation in Berks County, safe space in Tuzla or organised crime in Messina) that can be addressed by the CF as a way of creating social cohesion and, also, more pragmatically, of kick-starting targeted donations?

9. Strength and role of the other players

Which are the public, religious and civil society organisations that are active in the community? What are their strengths? Are they competitors to the CF? Can they become allies? If so, how? Are they already working on themes that the CF is planning/willing to address? With whom might you work? (Rosenfield, 2018).

10. Community expectations

Was the CF founded as a grantmaking organisation or for other reasons such as a need for super partes community leadership? It is important not to disappoint the expectations of the community that contributed to the establishment of the CF and imperative to at least initially conform to the community's mandate while, at the same time, working with the community to change the mission of the CF if new needs arise.

Organisational variables

New, small CFs are fragile organisations, especially if they don't have an endowment. They have to attract donations without competing with local civil society organisations; they have to grantmake without turning into an ATM; they have to establish credibility with the community while at the same time building up an organisation from scratch.

New CFs also have many strengths to draw on: they are often agile, streamlined organisations, they are responsive and flexible, they can take risks and try out new things. They are a new player in the game of local community welfare so they can chose to build bridges or to “irritate and agitate” as Kevin Murphy (2013) puts it.

The first step to strengthening the organisation, however, is knowing it, analysing its characteristics and understanding how these fit in with the local context. Areas to look at at described below.

1. Origins of the CF

Is the CF a spaceship that happened to land in the community or is it strongly connected to it? Who established it? With what mission and objectives? Has the CF been established exclusively to leverage local financial assets and grantmake to CSOs? Or were there other reasons that lead to the founding of the CF?

2. Nature of the CF

Is the CF participatory in nature? Do donors become members and do they have a say in the running of the CF? Does the community decide who governs the CF? Or is the CF an organisation that is somewhat removed from direct contact with the community and prefers to take a back seat in conversations about community development, choosing the role of funder rather than leader? Command and Mersereau (2001) suggest a list of roles that a CF can have: catalyst, convenor, capital builder. The nature of a new CF has to be clarified with founders, community and Board before developing a workplan.

3. Mission and values of the CF

Taking into account its origins and nature, a new CF must establish its mission and values. The details of a mission can vary: some CFs are donor oriented, others community oriented, depending on the specific needs and requirements of the community and on the capacity the CF has. However, the values that underpin the CFs actions, from fundraising to program implementation, should be those of fostering civic spirit, of inspiring a sense of belonging and pride and of transmitting to its donors, members and volunteers a sense of optimism and hope about the future.

4. Board

Hodgson and Knight (2012) note how most of the existing literature on community foundations highlights the importance of a diverse board that can adequately represent the community it serves and, thus, facilitate the participation of different community stakeholders. However, an analysis they conducted on a sample of new, small, successful CFs operating in the Global South, seems to suggest that while community foundations are still at an early stage in their development, it is best to keep the board small, selecting board members who are supportive of and committed to the overall direction, values and approach of the foundation. Hodgson and Knight (2012) found that when Boards are appointed to new community foundations through more participatory processes, tensions can emerge because of differing expectations of what a community foundation is and what it should be doing and also because of the conflicting loyalties that board members can feel when they find themselves placed between the interests of the foundation and the interests of a particular group or constituency that they represent.

New CFs must, therefore, reflect carefully on how best to structure their Boards in order to obtain maximum credibility and trust from their community but also a productive and collaborative work environment.

The duration of a Board is also an issue to take into account. In Italy a Board is usually nominated/elected for a period of three or four years maximum. A new CF should plan ahead of the expiration date of the Board in order to facilitate change among the BMs, because with new people come new experiences, skills and connections, while at the same time ensuring a measure of stability and continuity.

5. Names as assets

Connected to the issue of Boards, is that of the characteristics of the individuals that make up the Board. As Leonard (1989) points out: “There lies in the history of successful community foundations an undeniable relationship between the charisma, articulateness and perseverance of certain trustees and the community’s embrace of the concept”. Patten (2008) suggests that for some CFs a lack of significant financial assets can be offset by Board Members who are “well known and well regarded in their community and bring immediate recognition and credibility to the foundation”. Recognition and credibility go hand in hand with the ability to attract and retain donors.

At the same time, new CFs must be careful about attaching their credibility entirely to a name and must endeavour to create replacement leaders, applying the Global Fund for Community Foundations #ShiftThePower approach to CF governance as well as grantmaking. Kevin Murphy’s candid statement, during our seminar, that when he retires not only will Berks County CF have to hire a new President for a transitional period because his/her job will be that of being criticised for not being the previous President, but that he, Kevin Murphy, will have to leave the County so as to not cast a shadow on his successor’s work, might be an attitude that is not particularly useful to new CFs and that they should maybe plan to avoid from the start.

6. Staff

Bernadette Hellmann, Fellow for Special Projects at the Greater Washington Community Foundation, who is an expert on German CFs, suggests that having paid staff is not a prerequisite for a CF to be successful. There are over 400 CFs in Germany, the vast majority of which are run by volunteer Boards and staff. Hellmann (2018) estimates that about 15.000 people volunteer for community foundations in Germany, with 5.000 being Board Members and the rest “on the ground” volunteers. That is an average of 37 volunteers per CF which is a very high level of community engagement.

For new CFs *not* having paid staff may be a source of credibility with the community, especially in cultures, such as the Italian one, where great value is placed on personal commitment and voluntary work. It also means that all donations are going either to build or consolidate an endowment or to support

programs and organisations in the community which fosters trust on the part of donors. On the other hand having a paid member of staff may be essential in the development process of the CF if Board members and volunteers are not able to carry out its activities effectively because of lack of time.

Compagnia di San Paolo, the Italian bank foundation that has supported the creation of several CFs in North-West Italy, has a forward thinking policy in this regard and gives SAI (Support for Institutional Activities) grants to new CFs for a minimum of three years.

7. Experience, skills, connections

Mapping the experience, skills and connections of BMs, staff, donor members and volunteers in an active and precise way is essential to develop an effective work plan, to identify areas of interest and capacity, to uncover new and creative ways of engaging donors and fostering support for the CF in the community.

Finding, within the organisation, experience and skill in the areas of financial planning, accounting, communication, advocacy, event planning, evaluation and impact measurement, is a great asset. Building a team that has those experiences and skills is something a new CF should consider when starting out.

A lot of engagement work done by new CFs is initially done in ever expanding circles of family, friends, acquaintances and colleagues. Sometimes, however, connections are taken for granted and not put to good use. A good starting point for a new CF in building consensus is undertaking a careful mapping of all the individuals and sectors it can reach through personal acquaintance.

8. Capacity building within the organisation and within the community

Looking at what capacity building is needed and what can be provided, both within the organisation and within the community, is a useful tool for new CF to leverage and maximise local assets, both financial and non financial. An interesting experience in this area has been conducted by the Brooklyn Community Foundation. Brooklyn Accelerator is a hub for information, idea exchange, and gathering of philanthropic resources. Among its many roles, Brooklyn Accelerator seeks to connect donors and nonprofits; sponsor capacity-building efforts and technical assistance services; provide training on equity, cultural competence and anti-racism; incubate and support promising local leaders and organizations.

9. Financial resources available

A new CF has to plan strategically to make the few financial resources it has, go a long way. Using them to leverage more donations is an imperative and that requires decisions about where to initially put the money that has already been

secured. CFs in the initial phases of their grant making can consider choosing to support high visibility programs over programs that potentially have a higher impact but are less marketable. Or they can decide to postpone grantmaking and invest in endowment consolidation or in a communication campaign aimed at raising awareness and funds for the CF and the community. Finally, they can choose to support with micro-grants a large number of projects in order to send the message that the CF has started its activities.

10. Communication

Leonard (1989) writes that the concept of CFs is “one of the most difficult notions to convey that ever challenged a public speaker”. Bearing in mind the difficulty of explaining such a difficult idea as community philanthropy and taking into account assets and the characteristics of the organisations and of the community, a new CF has to budget for communication, plan, identify objectives and style and develop a relationship with the local media (Horowitz-Rozen, 2018). Differentiating the CFs communication style from that of others in the territory may be an advantage. Or, depending on the context, it might be better not to embrace a disruptive communicative style. Focusing on what can be done, rather than on what isn't being done, might help the CF engage more constructively with its stakeholders. Gadgets (pins, totes) should also be part of the new CFs communication plan as it reminds its associates to amplify the voice and reach of the CF. In brief, for a new CF it is important to schedule events and media presence so each audience can receive meaningful messages related to specific objectives (Command and Mersereau, 2001).

11. Network and outside support

Not having peers to learn from can pose a challenge for emerging institutions (Hodgson and Knight, 2012). Board members may be more familiar with the workings of a conventional CSO, but new to the notion of building local philanthropy. A new CF should try and become part of a wider network, if this exists. In Italy, Assifero, the national network for institutional philanthropy made up of CFs but also corporate and family foundations, provides a useful ecosystem for professional development, an opportunity to meet other foundations and learn from other practitioners, a launching pad into international networking and training opportunities.

12. Infrastructure

Being able to offer shared use, for free or for a fee, of hard assets, such as meeting rooms, offices or even crowdfunding platforms can determine the strategy the CF uses to mobilise or generate wealth in the community. Many CFs have consolidated their presence in a territory by owning a recognisable building, by helping to make an unused public space a safe space for everyone or by building

a new public space in an innovative way (Murphy, 2018). CFs can also effectively move towards durability and sustainability by buying their own office space (Mugungo, 2018).

Fundraising and wealth generating tactics

Leonard (1989) suggests that whether a CF survives or thrives depends on the interplay between mission and growth and concerns less the specific tools by which CFs hope to prosper and more the mission that drives the organisation. Three distinct styles of mission are identified:

1. *Grants oriented* by which unrestricted flow through funds are preferred to designated ones and grantmaking rather than donor services are the focus of the organisation;
2. *Donor oriented* by which a CF tries to attract living donors and allows pay down for principal and does not criticise or try to alter donors' wishes;
3. *Community oriented* by which a CF raises permanent charitable capital for the future, invests in personnel and leadership and is a trusted partner in collaborative efforts.

No CF upholds exclusively one or the other type of mission. However the prevalence of one of these orientations influences who and how CFs ask for money and are predictive of growth, according to Leonard.

Command and Mersereau (2001), however, emphasise the importance of identifying the appropriate tactics to “market” a CF successfully, stressing also that “if tactics are produced too early in the development process of an organisation they may miss their strategic intent” and that a new CF should build internal operating capacity to handle any new tactics and activities that it may be necessary to implement to attract and engage donors. Ideally, the work of a new CF is described by the Relationship Model (Command and Mersereau, 2001) below.



Mobilising wealth in and with the community

The growth of a CF can only be sustained by a community of donors. A new CF should therefore invest in attracting and securing financial assets from local individuals, companies (profit sector) and the nonprofit sector. Having local people involved as donors is a “game-changer in efforts to enhance participation and prospects of sustainability” (Knight, 2012). Involving local donors can be done using any of the following tactics:

1. Make yours a participatory CF where donors give every year, become members and have a say on the issues the CF addresses, on its governance and its budgeting.
2. Promote Board Member in-buying.
3. Create donor advised, field of interest or named funds to cater to donors who lean towards a more individual and personal type of philanthropy or need to bolster their social responsibility credibility.
4. Identify and try to obtain funding from “dormant trusts”. The UK, for example, has a large number of dormant trusts that have helped build endowment for community foundations. The Charity Commission has an interest in all the trusts it regulates being efficiently administered and has supported UKCF work with community foundations to identify and then transfer dormant assets to community foundations. Over the last ten years, £60 million in dormant and inactive trusts has been transferred to community foundations (European Community Foundations Initiative, 2017).
5. Consolidate collaboration with professional advisors and enlist their help to get referrals and establish relationships with donors⁶.
6. Encourage grantees to give back to the CF with a view to reciprocity and co-ownership.
7. Make giving easy by identifying and adapting to the giving styles of your community (e.g. cash, online bank orders, online giving, crowdfunding platforms).
8. Grantmake in all its forms as a way of leveraging local resources. If deemed useful, try participatory grantmaking by actively involving the funders, the grantees and the community. Fund special projects with community wide drives and “fund where others don’t” (Edgar, 2018). Grantmaking should be considered “one of the tools in the kit” of CFs (Banerjee Murthy, 2018).
9. If grantmaking is done primarily through calls for proposals, either because the CF needs to establish some kind of objective evaluation procedure or because it is less time consuming and the CF doesn’t have the resources to engage in other forms of grantmaking, learn how to say no without losing the organisation you have rejected as a future collaborator and partner.

⁶ 75% of Berks County Community Foundation’s assets come from professional advisors.

10. Establish awards as a way of giving to NPOs. Awards given in the name of a donor can be attractive to a certain type of donor because of the visibility they bring.
11. Create opportunities (events, seminars, conversations) in which significant data on the community can be collected and shared in order to increase the visibility of certain relevant issues and focus donors' attention on them. Effective ways of doing this are adopting the "Vital Signs" process⁷ or the Brooklyn Insights model⁸.
12. Practice active listening, try setting aside grantmaking based on requests for proposals and try co-writing programs with the constituency (e.g. Mirafiori Community Foundation in Turin⁹). Bring in a facilitator if you think co-developing programs might mobilise more resources but the community appears not to be responsive.
13. Establish Giving Circles¹⁰, which are not well known yet in Italy so can be a very innovative way of mobilising resources.
14. Engage residents by organising fun, social events in which the whole community can take part¹¹.
15. Build partnerships with local companies and engage their personnel for special projects as volunteers, donors or fundraisers.
16. Build, manage and share crowdfunding platforms that reflect local giving practices and culture (i.e. m-changa, a mobile and online fundraising platform that is widely used in Africa described by Mwendwa, 2018).
17. Charge for services (if you have services/infrastructure to sell) and spend out the revenue on grants.
18. In Italy, taxpayers can devolve 5x1000 of their taxes, at no extra cost to them, to NPOs. The 5x1000 is an "indirect" donation, as it goes from taxpayer to State to NPOs, so the CF can safely use it to help build or consolidate an endowment.
19. Foster the development of a culture of giving by focusing on young professionals (as done by Qualitas and the Turkish Philanthropy Funds) and by facilitating the establishment of a youth bank (Foundation Center, 2018).
20. Use donor stories (Ataselim, 2018) and create interesting narratives around the results/impact of programs or the characteristics of grantees.

⁷ <http://communityfoundations.ca/vitalsigns/>

⁸ <http://brooklyninsights.brooklyncommunityfoundation.org/>

⁹ <https://www.fondazionemirafiori.it/>

¹⁰ The Funding Network (www.thefundingnetwork.org.uk) offers guidance and financial support to organisations that are willing to try out Giving Circles in their country with a view to disseminating the practice. They prefer to link with national networks, but are willing to talk to individual organisations as well.

¹¹ The Citizen's Brunch organised every two years by the Community Foundation of Brunswick involves 8.000 people and raises over 45.000 euros.

Attracting wealth from outside the community

Sometimes it may be necessary to kick-start local giving with financial resources that come from outside the community. This is true especially for causes that might be perceived by the community as being controversial and may be too much to take on for a new CF that has not yet achieved the level of trust and credibility necessary to take an unpopular stand even though it believes it is the right thing to do. Compromises might be necessary and attracting outside funding may be the way to start working on an issue in order to disseminate knowledge and information about it and leverage local attention and giving. Some tactics to be effective in attracting outside resources are listed below.

1. Negotiate start-up grants with bigger foundations (bank, corporate) to support operational and/or communication costs, taking care of establishing a clear exit strategy.
2. Build alliances with local players to take part in calls for proposals run by other foundations or public institutions at regional or national level. Recently a call for proposals to fight childhood educational poverty was promoted at national level in Italy by an association of bank foundations¹². Many CFs around the country facilitated the creation of local networks to take part in the call for proposal and became partners of local NPOs networks by making resources available that were then matched or multiplied by the funders (co-financing of programs). Establishing a dedicated fund to co-finance proposals made by local NPOs to larger funders has been a winning strategy for our CF.
3. Invite to the table new and unusual allies, organisations that are not normally involved in philanthropy but may be able/willing to confer resources (financial or more often in the form of connections) to the CF in order to facilitate the process of attracting wealth from outside sources.
4. A CF can write proposals directly if they have that set of skills within the organisation.
5. Think in terms of “movements, not programs”, such as the #GivingTuesday movement (Curran, 2016). This approach is an effective way to increase impact: with each emerging initiative within the movement, CFs can build on their existing experience, expand their network and come across innovative and experimental ideas as well as finding new sources of funding.
6. Undertake grant-matching and/or challenges with other bigger and richer foundations.
7. Network nationally and internationally through support organisations, invest in membership and be active within the support organisation in order to take advantage of all the opportunities on offer. Fondazione di Comunità del Canavese obtained a significant grant to work with refugees

¹² <http://www.conibambini.org/>

and asylum seekers from the Global Fund for Community Foundation by being an active member of Assifero.

8. Always manage external resources as a lever for local giving.

Creating wealth for the CF and for the community (which is one and the same)

The key to this approach is found in a phrase used by the Black Belt Community Foundation in Alabama: “Taking what we have to build what we need.” (Hodgson and Knight, 2012). This approach has been exemplified at its best by the Messina Community Foundation¹³ in Sicily, an organisation that has literally taken the most abundant resource available to them, the sun, and has transformed it (by way of a solar panel farm) into directly run programs that focus on beauty and culture, giving stable employment to many in the community.

CFs should aim to consolidate and expand existing assets so that new long lasting initiatives can be supported. However creating wealth in the community also needs innovative methods and partnerships and is based on investing in organisations more than in programs, as the Center for Effective Philanthropy (2008) and, more recently, Carola Carazzone of Assifero (2018), among others, suggest. Ways to go about creating wealth in the community are listed below.

1. Endowment building is essential to creating long lasting benefits and wealth for the community. Many countries require a minimum endowment for NPOs to qualify as foundations. In Italy the requirement is relatively low at 70.000 euros and will probably be lowered in the upcoming Third Sector legislation reform. Endowments however are a necessary tool to carry wealth into the next generation. In countries, like Italy, where there is a progressive worsening of the quality of life from one generation to the next, it is important for CFs to have a role in conserving and making the most of that wealth for future use.
2. CFs can look at investing some of their resources on the market to use the interest on that investment as a flow through fund or to support some of the direct costs of the organisations.
3. CFs can also look at social impact bonds as a way of creating and funding programs and services with a longer term impact.
4. Investing in real estate can give durability and sustainability to an organisations. Apply to the management of a CF the rules that you would apply to your own personal finances: people don't normally earn and spend out if they can avoid it, but save and invest. The same should be done with organisations and it is important to get this message across to donors and funders.
5. Invest in organisations. CFs can identify suitable groups and encourage them to apply to certain calls for proposals or philanthropic organisations

¹³ <http://www.fdcmessina.org/>

and they can support groups by holding grant application workshops. A working model of this approach is the Brooklyn Accelerator, a centre for the exchange of information and ideas and for the gathering of philanthropic resources. Among its many roles, the Brooklyn Accelerator connects donors and potential board members to local nonprofits; sponsors capacity-building efforts and technical assistance services; provides training and incubates and supports promising local leaders and organizations.

6. Create a local umbrella organisation for NPOs that facilitates collaborations and partnership of a creative kind in order to “build organizational capacity, move people to take part, and propel the sector forward” through co-creation and using “the unique strengths of each partner as building blocks. This kind of collaboration has the potential to be transformational on both an individual and an organizational level” (Curran, 2017).
7. Disseminate and create durable change by bringing together the collective resources of grantees, community members, and donors.
8. Creating a lasting and generalised giving climate based on an inclusive culture of generosity. CFs, and NPOs in general, must ensure good governance and be honest about impact to build public trust and meaningfully engage local communities (CAF, 2017). As stated before, it is important to recognise and build on traditional forms of giving to create a culture of giving based on the strengths of the local context (CAF, 2017). Finally, small new CFs should highlight the importance of small local donations.

RECOMMENDATIONS FOR NEW CFS THAT ARE STARTING THEIR JOURNEY

Make a (flexible) plan: consider all the paths and trace your way on the map.

New small CFs should try and apply a systematic planning process loosely based on Command and Mersereau’s (2001) five step process:

1. Gather information about their context and organisation (assessment and positioning);
2. Develop a strategy (goals, objectives and appropriate messages). This point however might be difficult to implement in the first few years of a CF’s life as the organisation will not have complete, perfect data and might need to try out different approaches before developing a longer term strategy.
3. Produce tactics (tools, events and resources) that fit the context and organisation’s characteristics, not being afraid, at least initially, of taking a very pragmatic approach that values immediate effectiveness over ideals (e.g. I would prefer for my CF to do all its grantmaking in a participatory manner, but I don’t currently have the resources or credibility to carry that out).

4. Implement activities (roles and responsibilities). In particular in those CFs with no staff that rely on the voluntary work of Board Members and donor members/volunteers, it is essential to distribute the work evenly as to avoid burn-out or the association of the organisation reputation and credibility with just one or a few individuals.
5. Monitor and adjust (results and status). Successes and failures are to be shared with the community, as it builds trust and credibility and, also, someone out there might have a better solution than the one you have thought of.

Look out for those who can help you along the way and tell them what you need.

New CFs should be very transparent about their development process, the difficulty of attracting donations and the resources it requires, especially if they have the possibility of receiving starter grants from support organisations. As the recent report “What makes a strong ecosystem of support to philanthropy?” by WINGS suggests: “Growing philanthropy requires to invest in the support ecosystem [...]: data to build transparency and inform decisions, advocacy for an enabling environment, campaigns to grow a culture of giving, technology that links donors and recipients, advice and capacity building to make better use of existing resources, space for donors mediation and coordination, standards that build trust within society”. Funders however, whether they are local donors or larger foundations that support the development of CFs, rarely have interest in funding these aspects of CF development. It is therefore crucial that new CFs are aware of the investment necessary to mobilise, attract and create wealth for their communities and seek appropriate support.

Think of how much distance you have already covered, not how much longer it will take you to get there.

Apply an Asset Based Community Development (ABCD) model to your organisation and to your donors as well as to your community, emphasizing what an individual or group can bring to the CF rather than what they lack. For example, do not focus on your lack of paid staff and use that as an explanation for all the work you are not able to do, but instead think of how you can market that fact to enlist the help of other players, who might even be more competent than generic paid staff and who might in turn become donor members, volunteers who advocate for the CF or Board Members.

Focus on objectives and activities (1, 2 yrs) rather than goals (3, 5 yrs). Establish yourself first and then think of long term sustainability. To help walk the long path of a new CFs development process, it may be useful also to apply an “unbundling” (Fortune, 2018) approach to management which basically means the “process of breaking apart something into smaller parts”, that you can then share with the community.

Don't be afraid of taking the wrong path.

“To deal properly with the diversity of problems the world throws at you, you need to have a repertoire of responses that is at least as nuanced as the problems you face” (WINGS, 2018). A new CF faces many problems and doesn't have a complete repertoire of responses so it will make mistakes. New CFs need to remind themselves, even if it seems obvious, that only those who don't do anything, never make a mistake. It is hard when you are entrusted with other people's financial resources, donations to promote the common good, not to err on the side of caution, especially if those resources are few and precious. However, CFs should remember that “scarcity drives innovation” (Maier Nunes, 2017) and to stay successful and relevant a CF must innovate, be creative and take the occasional risk.

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Seminars and meetings

WEDNESDAY, MAY 2, 10:00 am – 12:00 pm

“Early US Community Foundations: Case of New York Community Trust”.

Robert Edgar, Vice President of Donor Relations, NY Community Trust GC

MONDAY, MAY 7 11:00 am – 3:00 pm

“Geography and demographics: The shaping of Berks County Community Foundation”.

Kevin Murphy, President of Berks County Community Foundation

TUESDAY, MAY 8 10:00 am – 12:00 pm

“Effective strategic communication, and its importance for social change organizations”.

Shani Rozen-Horowitz, Ph.D. and CPCS Senior Fellow

WEDNESDAY, MAY 9 10:00 am – 12:00 pm

“Ethics of International Philanthropy”.

Patricia Rosenfield, Senior Fellow at Rockefeller Archive Center, formerly Director of Carnegie Scholars Program

MONDAY, MAY 14 10:00 am – 12:00 pm

“Building a Culture of Philanthropy: Institutions, People, and Social Impact”.
Marcela Orvañanos de Rovzar, Procura A.C., Qualitas of Life Foundation, IFP 2003

TUESDAY, MAY 15 9:30 – 11:30 am

“Diaspora Giving: Building Long-Distance Partnerships for Local Solutions”
Şenay Ataselim (ELIFP 2005), CEO/CFO, Turkish Philanthropy Funds

THURSDAY, MAY 17 2:30 – 4:30 pm

“Innovation and Giving Tuesday”

Asha Curran, Chief Innovation Officer, Belfer Center for Innovation & Social Change

TUESDAY, MAY 22 2:00 – 5:00 pm

“How can data help me as a grantmaker?”

Lawrence T. McGill, Vice President for Knowledge Service, Foundation Center
Lauren Bradford, Director of Global Partnerships, Foundation Center
Jennifer Tierney, Grantcraft and Youth Giving services, Foundation Center

WEDNESDAY, MAY 23 10:30 am – 12:00 pm

“Participatory grantmaking and the “Other” NYC Community Foundation”

Kaberi Banerjee Murthy, at Brooklyn Community Foundation

WEDNESDAY, MAY 23 2:00 – 3:00 pm

“The role of volunteers in the German community foundation network”

Bernadette Hellmann, Fellow for Special Projects, Greater Washington Community Foundation

Conversations with fellows

André CEBALLOS, Bogotá, COLOMBIA and Maywood, NJ, USA

Executive Director, Arraigo, LLC

Community Organizer, Jacob A. Riis Neighborhood Settlement

Wanja MUGUONGO, Nairobi, KENYA

Executive Director - UHAI East African Sexual Health and Rights Initiative

Steering Committee Member - Human Rights Funders Network

Catherine MWENDWA, Nairobi, KENYA

Programmes Officer — East Africa Association of Grantmakers

Board Member — Slum TV

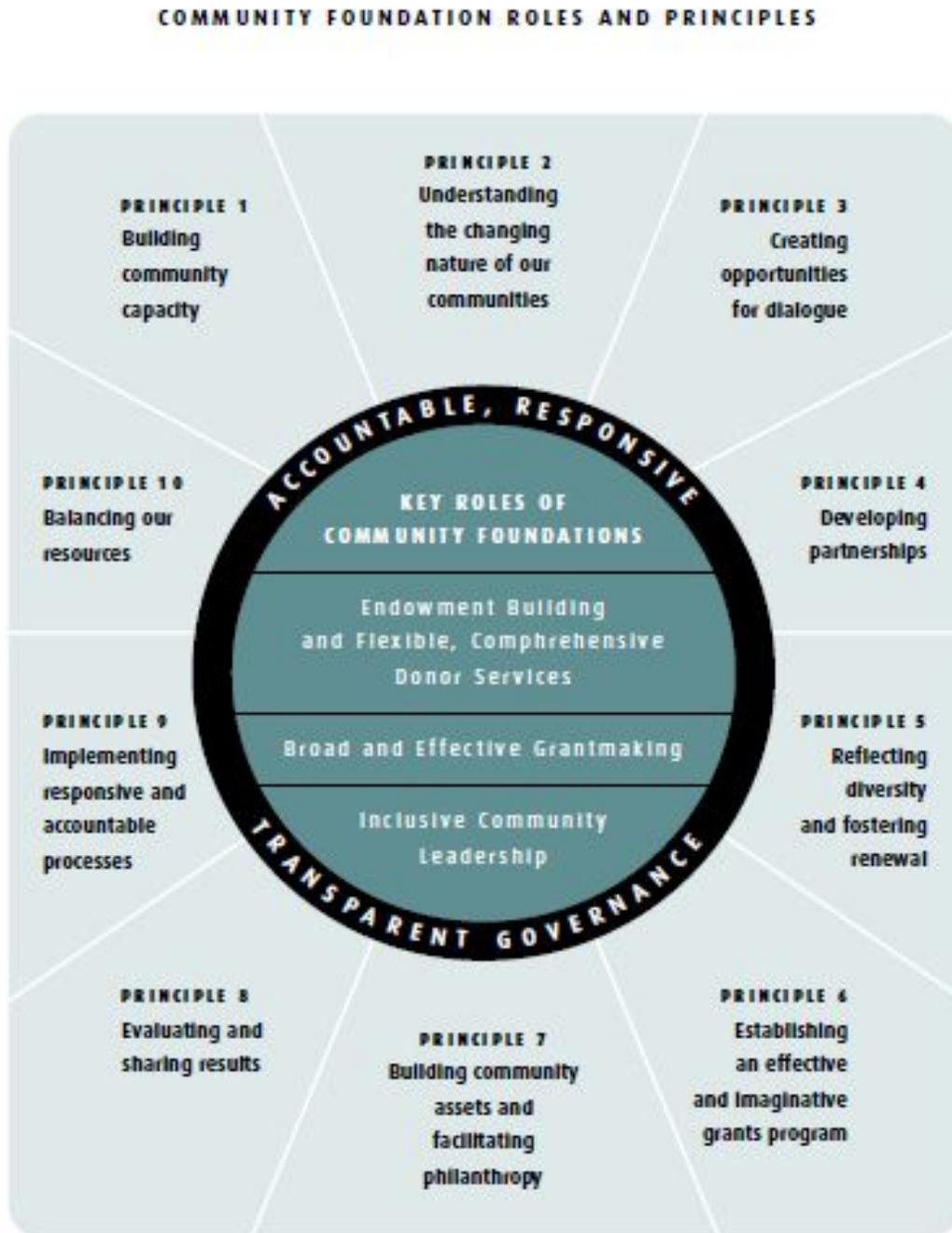
Magdalena PEKACKA, Warsaw, POLAND

Executive Director — Polish Donors Forum

Board Vice-President — Donors and Foundations Networks in Europe (DAFNE)

APPENDIXES

Appendix 1



Source: COMMUNITY FOUNDATIONS OF CANADA. Discoveries: Bridging Principles & Practice, 2002

Appendix 2

Criteria for Quality Accreditation for community foundations introduced by the UKCF network.

A community foundation:

1. is an independent charitable philanthropic organization serving a defined geographical area that builds an endowment to meet needs in local communities with evidence of philanthropy-based business and financial models
2. has a broad-based board that follows and works towards good practice in charity governance
3. has a comprehensive strategic 3-year plan, as well as an annual business plan. Relevant structures are in place to ensure corporate effectiveness and resilience, and there is evidence of effective stakeholder engagement and feedback
4. complies with relevant legislation and codes of practice, and adopts good employment practices and embraces equality and diversity in all aspects of its work. It has an agreed set of key documents, policies and procedures that are reviewed on a regular basis
5. complies with financial reporting requirements and maintains accurate financial records and controls. It makes effective use of IT systems for production of key financial management data and reports
6. has policies for investment of funds and a supporting financial strategy
7. continually seeks philanthropic funding from a broad range of donors to build endowed and flow-through funds, and has a business management model based on philanthropy
8. can provide a customized service to donors which respects their charitable interests, meets their needs and offers opportunities to involve donors in different ways; there is a robust framework for new donor recruitment and the management of relationships with existing donors
9. has a clear focus on needs and impact analysis to help inform its future direction; operates a broad range of grant programmes that meet identified community needs and demonstrate impact
10. publicizes grant programmes and seeks to reach all sections of the community. It can demonstrate understanding and involvement in social issues and has an engagement framework that helps it to communicate with all its stakeholders
11. can demonstrate clear purpose; direction and goals; is able to evidence ambition, focus, prioritization; impact on social causes; is a community leader in the local area and is an active member of the UKCF network

Source:

