

# Foundation



## *Policies & Practices* Toolkit

## Foundation Diversity Policies & Practices Toolkit

May 2009

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# The Toolkit

## INTRODUCTION

Changing demographics throughout the United States are redefining the role of diversity within the field of philanthropy. Foundations are embracing diversity in their grantmaking and organizational practices and thereby strengthening their knowledge of the communities they serve. This, in turn, broadens their perspective on the political, economic, and social problems they aim to resolve. A foundation that both reflects and acknowledges the myriad characteristics of its communities operates from a richer range of viewpoints toward successful grantmaking and as an authentic philanthropic partner.

While a number of foundations have been highlighting the importance of diversity for more than two decades, there has been increasing attention in recent years to engage foundations as institutions that integrate diversity components throughout the organization—such as in governance, programs, human resources, grants management, and outsourcing/vendor contracts. Foundations working to integrate diversity into their grantmaking and organizational practices also work to leverage all aspects of their resources to bring positive change to the communities they serve. More importantly, the establishment of policies and practices is an essential step to institutionalizing a commitment to diversity that will live beyond the current leadership and serve to represent the values of the foundation far into the future.

### About the Toolkit

As an advocate for healthy communities in one of the most eclectic states in the nation, The California Endowment places a high value on pluralism. In 2008, in its quest to improve the effectiveness of its grants portfolio and institutional operations, The Endowment contracted with Social Policy Research Associates (SPR) to complete an internal assessment of its diversity policies and practices.

Based on gathering recommendations of foundations known for their concerted focus on diversity and inclusivity, SPR conducted a national scan that included eight interviews with foundation leaders and reviews of 45 foundations' online materials (see Appendix A for the list of foundations).



The initial goal was to provide The Endowment’s leaders with a panorama of how other foundations address diversity within their institutions.

Philanthropists have made strides in the development of policy statements and procedures that incorporate diversity into both grantmaking and organizational practices. The scan yielded such innovative examples that The Endowment believed other funders might also benefit by having the opportunity to reference these materials as tools to deepen their dialogue and engagement around issues of diversity, equity, and social justice. The result is this *Foundation Diversity Policies and Practices Toolkit*.

In selecting materials to present in this toolkit, SPR was deliberate in drawing from a variety of institutions—from small, progressive funders with an explicit focus on social justice to larger, mainstream foundations in the process of implementing diversity across many different facets of their operations. The selection of exhibits entailed contacting more than 16 foundations to secure their permission to share their documents.

This toolkit in no way purports to be comprehensive in its presentation of a constantly developing field. Nor are the examples necessarily “best practices” but are intended to show the breadth of diversity as it is addressed throughout many aspects of grantmaking. What the toolkit does offer is a sampling of the statements, forms, and templates currently developed by foundations, with the purpose of facilitating others in their own inclusion efforts.

Materials in this toolkit came from the following organizations: Akonadi Foundation, David & Lucile Packard Foundation, Diversity in Philanthropy Project, Donors Forum of Chicago, Foundation Center, Ford Foundation, Funders for Lesbian and Gay Issues, Hyams Foundation, Jessie Smith Noyes Foundation, MacArthur Foundation, Minnesota Council on Foundations, New York Regional Association of Grantmakers, Northern California Grantmakers, Rockefeller Foundation, The California Endowment, The San Francisco Foundation, W.K. Kellogg Foundation, Women’s Foundation of Minnesota, and Z. Smith Reynolds Foundation.

The toolkit is organized into five categories pertinent to philanthropy: (1) policy statement, (2) governance and workforce, (3) grantmaking, (4) contracting with vendors and consultants, and (5) investments.

## Setting the Stage

The next few pages segue into the exhibits with documents that offer guidance into the landscape of diversity. The first is the **Diversity in Philanthropy Project’s** *Common Principles & Promising Practices*. Philanthropic organizations such as the Council of Michigan Foundations and the Ohio Grantmakers Forum have adopted the guidelines into their own frameworks.

The second is **The California Endowment’s** *Diversity Plan*, presenting key steps for translating high level equity principles into institutional policies, procedures, and practices.



# Diversity Philanthropy

## Common Principles & Promising Practices

The following principles and practices originated from the philanthropic sector executives, CEOs, and trustees of the Diversity in Philanthropy Project. They express the unity of our intention while respecting that our approaches may vary.

The principles and practices outlined here in draft form are not meant to be prescriptive; rather they represent a collective, voluntary effort to lift our field to a higher standard of operating practice. They can be employed in whole or in part to help philanthropic institutions more effectively achieve their missions.

We share these ideas as a work-in-progress to stimulate discussion across our field. Our leadership group came together originally to focus on diversity of race, ethnicity, gender, sexual identity, disability, educational background, age, geographic location, and religious belief. However, we welcome all partners working on these and/or other dimensions of diversity.

### **Our Principles**

We seek to encourage all foundation leaders to embrace the following principles intended to promote diversity as a matter of fairness and effectiveness in our profession.

#### **Mutual Respect**

Within the parameters of our core values and charter requirements, we are committed to diversity, equity, and inclusion; and we fundamentally value and respect experiences that are different from our own.

#### **Freedom and Flexibility**

We promote a broad approach to diversity while respecting each individual foundation's commitment to address those aspects most germane to its mission.

#### **Knowledge and Creativity**

By increasing diversity, equity, and inclusion, we believe we will access more expansive and varied ideas, information, and perspectives, making us more creative, informed investors.

#### **Strategic Approach**

To achieve our aims, we believe it is necessary to be strategic and intentional in formalizing and pursuing meaningful diversity goals as central aspects of our governance and programming.

#### **Transparency**

We believe we have a responsibility to society and our sector to achieve our goals with honesty and transparency, regularly reporting progress and lessons learned along the way.

### **Promising Practices**

We seek to advance diversity by encouraging voluntary practices that include:

#### **Internal Diversity Assessments**

Conducting periodic assessments of board and staff appointments, grantmaking, and contracting to help institutional leaders identify priorities, recognize strategic opportunities, and enhance their diversity performance.

#### **Diversity Plans**

Developing and implementing diversity plans to help leaders design specific and concrete steps to expand representation and engagement from diverse communities in their mission and work.

#### **Field Development and Coordination**

Supporting more integrated and coordinated planning, investment, and action to expand the field's overall capacity for change.

#### **Peer Support**

Building peer networks, both formal and informal, to help individuals, their institutions, and the larger field achieve greater diversity.

#### **Periodic Progress Reporting**

Tracking progress, communicating accomplishments, and sharing lessons learned to establish field-wide performance benchmarks and enhanced transparency and public accountability.

#### **Public Leadership**

Exercising visible leadership by encouraging others to join, publicly promoting the benefits of diversity, and identifying new strategies that lead to greater effectiveness.



## Diversity<sup>1</sup> Plan

1. Adopt and publicly disseminate a clear statement of support for diversity in philanthropy as a measure of philanthropic effectiveness, including operations and grant asking.
2. Engage Board of Directors/Trustees in endorsing/supporting an organizational Diversity Plan.
3. Include diversity-related measures in the performance goals for the CEO and other managers, as appropriate.
4. Review and make appropriate changes to personnel policies and procedures to ensure compliance with all relevant federal, state and local laws and regulations on employment nondiscrimination and employee benefits.
5. Identify and implement a plan for an additional staff orientation and training on diversity issues.
6. Ensure compliance with accessibility requirements of the Americans with Disabilities Act for all offices and implementation of best practices for accessibility of communications formats (e.g., website accessibility for persons with visual and physical disabilities, appropriate translations of written materials in other languages, etc.).
7. Develop and adopt appropriate diversity indicators for Board, management and staff; collect baseline data and implement and publicly report periodic collection of data.
8. Conduct proactive outreach and recruitment for diverse candidates for Board, management and staff positions.
9. Continue collecting and documenting diversity-related information about applicants and grants, especially populations/communities served.
10. Continue sharing appropriate information about grant making (e.g., number and description of grants serving specific populations/communities) to philanthropy affinity groups upon request.
11. Collaborate with philanthropy peers to develop and implement standardized diversity indicators for applicant/grantee organizations (e.g., organization's current constituent/client demographics, populations/communities to be served by the grant, staff, volunteer and Board demographics, etc.).
12. Review and make appropriate changes to contracting policies regarding sole source vs. competitive bid contracting, and promote equal opportunity and diversity in contracting.
13. Explore, review and consider private sector and corporate efforts to promote socially responsible investments and the promotion of diversity among investment managers.
14. Evaluate and disseminate best practices regarding increasing diversity in philanthropy.
15. Support adoption of best practices by peer foundations, including dissemination to regional associations of grantmakers, Council on Foundations, Diversity in Philanthropy Project, philanthropy affinity groups, Independent Sector, and other key stakeholders.

<sup>1</sup>"Diversity" should include, at a minimum, race, ethnicity, age, gender, sexual orientation, and disability, as well as geographic diversity.

“Diversity is best achieved when it is understood, prioritized, and integrated into the operations of a foundation as a tool for effectiveness in, and responsiveness to, the communities being served.”

Dr. Robert K. Ross, President & CEO,  
The California Endowment



# Diversity

POLICY STATEMENT

A commitment to the principles of diversity is often grounded in a policy statement. Indeed, a declaration of the values that guide the development of inclusionary philanthropy can help inform successful grantmaking.

Institutions may choose to integrate their pledge to diversity in their overall mission statement—as in **Z. Smith Reynolds Foundation’s** *vision statement* included in this section. Some foundations develop separate statements that specifically address equity—as shown in the *Statement of Diversity Principles* from the **Hyams Foundation, Inc.** and **The California Endowment’s** *Commitment to Diversity and Inclusiveness*. The statements from the **David & Lucile Packard Foundation** and **The San Francisco Foundation** reinforce their inclusionary policies with *demographic data* on their board and staff.

The definition of diversity goes beyond race and ethnicity and can include age, gender, class, sexual orientation, physical ability, geographic location, philosophy, and viewpoint. How foundations choose to define diversity varies from the broadest of strokes to very specific terms. The statements in this toolkit reflect the variety of descriptions that grantmakers have developed.

What all the statements have in common is an awareness of the benefits of pluralism and a strong rationale for focused and sustained attention to equity. The statements make clear that through the pursuit of inclusionary principles, foundations will achieve greater performance, effectiveness, and impact.





**The Vision of the**  
**Z. Smith Reynolds**  
**FOUNDATION**

- To promote social, economic and environmental justice.
- To strengthen democracy, through an educated and informed populace.
- To encourage innovation and excellence in a dynamic non-profit sector.
- To support progressive public policy and social change.
- To foster cooperation and respect among all racial, ethnic, and socio-economic groups.
- To build strong, vibrant, economically sound, and peaceful communities.

**Diversity and Inclusiveness:**

The Foundation's grant making policies reflect the belief that organizational performance is greatly enhanced when people with different backgrounds and perspectives are engaged in an organization's activities and decision-making process. Thus, the Foundation actively seeks to promote access, equity and inclusiveness, and to discourage discrimination based on race, creed, ethnicity, gender, age, sexual orientation, socioeconomic status, and other factors that deny the essential humanity of all people. This principle is a lens through which all of the work of the Foundation is viewed.

The Foundation reserves the right to decline proposals from organizations the board and staff of which do not reflect the diversity of the community in which they work.

# THE HYAMS FOUNDATION

## Statement of Diversity Principles

Diversity refers to individual and group differences based on race, ethnicity, gender, sexual orientation, age, physical ability, class and religion. The Foundation seeks to promote understanding and appreciation of these differences in order to eliminate racism, bigotry and other forms of intolerance and to build a more humane and just society.

The Foundation promotes diversity within its own organization and those it funds in order that they...

- reflect the racial, ethnic and other characteristics of those living in the communities served
- promote greater understanding of and respect for the diversity within these communities
- recognize and amplify these communities' "voices"
- build on the strengths of community residents and develop local leadership
- achieve the highest level of effectiveness and well informed decision-making

### **The Foundation will advance these goals by...**

- promoting diverse boards and staff
- improving access for all those needing the programs and services funded by the Foundation
- supporting self-development efforts of traditionally oppressed groups to become equal participants in society
- funding specific efforts that deal with race relations
- funding specific efforts that promote leadership development and build the capacity of neighborhood residents and organizations to solve their own problems
- actively seeking to be informed by the community
- having a visible presence in the community
- advocating for diversity in the world of philanthropic decision-making

The Foundation has found that success in achieving diversity requires commitment from the leadership of an organization at both the board and staff levels. This commitment must extend over time, with an understanding that there are no "quick fixes" to the lack of diversity. Achieving diversity is an ongoing process which the Foundation believes will lead to a more pluralistic and economically productive society.



## **Commitment to Diversity and Inclusiveness**

April 2008

Since its inception, The California Endowment has placed a high value on diversity and inclusion. We define diversity in broad terms to include race, ethnicity, age, gender, sexual orientation, disability, as well as geographic diversity. We believe that diversity and inclusion are essential to organizational effectiveness and excellence, and that services are enhanced when organizations are reflective of communities being served. As such, The Endowment will continue to raise issues of inclusion and promote diversity in our grant making and operational activities.

Our commitment to diversity is reflected in the composition of our staff, management, and Board of Directors. We also are committed to using diverse vendors, contractors and consultants, and promoting equal opportunity through our business transactions. We will strive to make our facilities and communications accessible to all.

Because of The Endowment's commitment to diversity in California, staff will pursue opportunities to discuss issues related to diversity and inclusion with grantees and applicants. Staff will take every opportunity to constructively engage in efforts to assist grantees and applicants to better serve the needs of California's diverse communities. As appropriate, applicants seeking funds from The California Endowment will be asked to provide information related to governance, management, staff and volunteer composition in the interest of encouraging diversity and inclusion whenever possible. Finally, The Endowment will participate in and support efforts of our peer funders to increase diversity and inclusion in the field of philanthropy.



## Commitment to Inclusiveness and Diversity

The Packard Foundation seeks to promote a healthy work environment for all Foundation employees and understanding and respect for the diversity of the communities and grantees with which we work.

We recognize diversity as an asset essential to accomplishing our work and view diversity as encompassing differences in race and gender, as well as age, national origin, disability, sexual orientation, job skills and levels, education, and geographic location.

### *Employees*

The Foundation believes that a healthy work environment includes a diverse workforce, taps the unique potential of individual employees, recognizes and rewards employee accomplishments, respects the family and civic obligations of employees, and promotes mutual respect and understanding among employees.

The Foundation's Diversity Committee was created to help the Foundation reflect its vision of diversity and to continually strive to increase and maintain its diverse workforce. The Diversity Committee ensures that cultural diversity is fostered at all levels of our organization.

### *Diversity of Foundation Board of Trustees and Staff*

The Packard Foundation is a family foundation. As of December 31, 2007, the Board of Trustees consisted of 14 members (7 family members, 6 non-family members, and 1 ex officio member, the Foundation President and CEO), with one open non-family Trustee position. There is currently one member of the Board of Trustees who self-identifies as racially diverse. In 2005, the Foundation adopted a long-term goal of increasing diversity on its Board of Trustees.

As of December 31, 2007, the Foundation employed 83 staff. Sixty-four percent of the Foundation workforce is female and 35 percent of all staff self-identify as racially diverse. The percentage of management and professional staff who self-identify as racially diverse is 37 percent, and of the top 15 percent of staff by annual salary, 17 percent self-identify as a racially diverse.\*

### *Grantees*

Within program issue areas selected by the Board of Trustees for focus (see Foundation guidelines), the Foundation is committed to helping grantees achieve their stated programmatic goals.

Depending on these goals, understanding how the diversity of a nonprofit organization's staff and board relates to its program goals and constituencies may be part of staff review of proposals for support. The Foundation does not formally track this information for all applicants.

### *Vendors*

When selecting vendors, the Foundation is committed to doing business with all people, without bias. As a reflection of this commitment, vendors are asked to identify themselves as a women- or minority-owned business when applicable, and this information is tracked by the Foundation.

*\*As part of the Foundation's commitment to staff confidentiality and privacy, the Foundation does not release individual personnel information to third parties without written authorization by that employee and unless required by law. The Foundation provides data on staff salaries as required by regulatory statute, but does not provide data to other organizations on individual employees or aggregate data where an individual's information could be easily discerned.*

Updated January 31, 2008

# THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

## Policy on Diversity

Diversity is a core value of The San Francisco Foundation. We define diversity as the range and variety of characteristics and beliefs of individuals that encompasses, but is not limited to, race, ethnicity, gender, gender identity, sexual orientation, disability, age, economic class, immigration status, and religious belief. We acknowledge that these categories can be fluid and we respect individual rights to self-identification and self-determination. The Foundation actively seeks to end discrimination, address the enduring negative effects of differential treatment, and promote access, inclusion, and equity.

We celebrate the diversity of the Bay Area as one of its greatest strengths. While respecting the uniqueness of each individual, we acknowledge that lasting transformative social change is accomplished through collective action and engagement of all.

Embracing diversity is essential to achieving excellence and effectiveness as a community

foundation. In our efforts to build strong communities, foster civic leadership, and promote philanthropy, we:

- fund and work with organizations that reflect the communities we serve
- advocate for full participation of all people in philanthropy and service,
- advocate with and for vulnerable communities,
- support the development of indigenous and diverse community leaders,
- maintain a diverse board and staff at all levels, and
- partner with donors, public and private entities, and other foundations to increase the diversity of the philanthropic and nonprofit sectors

We focus deliberate attention and ongoing effort on creating a culture of access, inclusion, and equity in all aspects of our work.

### Board of Trustees:

- Women—4
- Men—5
- African American—2
- Asian American—1
- Latino—1
- Native American—1
- White—4
- LGBT—1

### Management Team:

- Women—5
- Men—1
- African American—2
- Asian American—1
- Latina—1
- White—2

### Program Leadership:

- Women—4
- Men—2
- African American—1
- Latina—2
- Native American—1
- White—2

*Approved by The San Francisco Foundation Board of Trustees, January 2009*

“The quality of grantmaking is enhanced when grantmaking organizations reflect the cultural diversity of the communities they serve through their grants.”

Minnesota Council on Foundations,  
expressing one of two values guiding the  
development of its Diversity Framework

# Organizational

GOVERNANCE & WORKFORCE

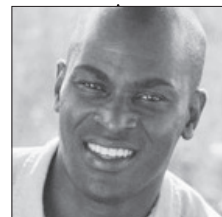
**Foundations are finding** that actively promoting a board and staff composition that reflects their constituents heightens the opportunity to reach their mission. They realize that a breadth of cultural perspectives better guides philanthropy in the civic goal of supporting vibrant communities.

The foundation scan discovered that many philanthropists understand the valuable asset of a diverse board and staff, although the extent to which they support this understanding varies widely. Many have informal hiring guidelines but few have formal procedures.

The examples in this section begin with **The San Francisco Foundation's *Equal Employment/Diversity Policy***, followed by an excerpt from **The California Endowment's *employee handbook*** that outlines its commitment to a pluralistic workforce.

**The Women's Foundation of Minnesota's *Application to the Board of Trustees*** is a comprehensive form that includes six different dimensions of diversity. In addition to collecting data on race, ethnicity, sex, and age, the profile requests a broader set of relevant experiences to build a better indicator of what areas need further representation and how new members may complement existing board trustees' contributions.

Promoting organizational diversity is more than increasing the range of ethnic and racial backgrounds represented by an institution's leadership and staff. It also involves seeking the set of characteristics, cross-cultural expertise, and experiences that will ground the grantmaker's work in the communities it serves and best fulfill philanthropy's vision of social equity for all.





## THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

### **Equal Employment/Diversity Policy**

#### **Equal Employment Opportunity**

The Foundation believes that one of the great strengths of the Bay Area community is the rich diversity of its residents.

We will provide equal employment opportunity without regard to race, color, sex, age, mental or physical disability, medical condition, religion, national origin, marital status, sexual orientation, ancestry, political belief or activity, veteran or military discharge status, or any other basis protected by local, state or federal law.

The policy applies to all employment practices, including but not limited to recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation, benefits, social and recreational programs, and all other conditions and privileges of employment in accordance with applicable federal, state, and local laws.

All employees have the right to work in a workplace that is free of discrimination. Any person who believes she or he has been subjected to discrimination of any kind should contact his or her immediate supervisor or the Human Resources Specialist. All complaints will be thoroughly investigated and any person violating this policy may be subject to disciplinary action up to and including termination. The law prohibits retaliation against any employee for reporting discrimination or perceived discrimination, or for participating in an investigation of incidents of discrimination or perceived discrimination.



## **Employment Practices**

### **Employment and Diversity**

The Endowment values equal employment opportunity and diversity. These two standards reflect our belief that the ability to do the job is the key element in the selection of any Employee.

Our commitment to, as well as compliance with, legal requirements played a leading role in the development of our employment philosophy.

All employment decisions, including but not limited to, hiring, compensation, benefits, training, use of facilities, participation in Endowment-sponsored activities, promotion, transfer, job assignments, counseling, disciplining, or termination of employment, are based on an individual's ability to do the job, irrespective of race, color, creed, sex, gender identity, religion, marital status, registered domestic partner status, age, pregnancy, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other basis protected by applicable law.

The effective implementation of The Endowment's employment philosophy is the responsibility of management as well as every Employee.



**Application to the Board of Trustees**

**Women's Foundation of Minnesota**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE: \_\_\_\_\_ (Business)

PHONE: \_\_\_\_\_ (Home)

PHONE: \_\_\_\_\_ (Mobile if applicable)

EMAIL: \_\_\_\_\_ (Preferred)

E-MAIL: \_\_\_\_\_ (Secondary if applicable)

We would like to know about your board and volunteer service in other organizations as well as employment history. Please share that either at the end of this document, or on an attached resume or vitae.

Please tell us why you would like to become a Trustee of the Women's Foundation and the kind of contributions you would hope to make to its governing body. If you wish, you may attach a separate page with your answer.

To help us determine the skills and backgrounds of prospective Trustees, please complete this self-assessment. *This information will be kept confidential.* In the space provided, check all areas that apply. (Please provide specific information in the comments section that you think would be helpful.)

Areas of Expertise/Professional Skills:	√	Comments
Administration		
Business/Corporate		
Community Connections		
Business		
Corporations		
Ethnic/Immigrant Communities		
Events		
Foundations		
Philanthropic Individuals		
Political		
Social Service		
Diversity		
Education		
Elementary		
Secondary		
College		
Finance		
Accounting		
Banking/Trusts		
Investment		
Fundraising		
Government		
Elected Official		
Appointed Official		
Career Employee		
Health Professions		
Human Resources Management		
Law		
Lobbyist		
Marketing		
Organization and Management		
Public Relations		
Real Estate		
Research		
Expertise in Issues in one of our Cornerstones		
Creating Economic Justice for Women		
Advancing Women's Safety and Security		
Women's Health and Reproductive Rights		
Promoting Women's Human Rights		
Expanding Women's Political Representation		
Statistical Analysis		
Strategic or Long Range Planning		

In the space provided below, indicate with a check mark the answer that most closely describes you. If you are uncomfortable answering a particular questions, leave it blank.

Age:

Under 35 \_\_\_\_\_  
From 35 - 50 \_\_\_\_\_  
From 51- 65 \_\_\_\_\_  
Over 65 \_\_\_\_\_

Geographic Location:

Minneapolis	_____	Central Minnesota	_____
Minneapolis	_____	Northeast Minnesota	_____
Suburbs	_____		
St. Paul	_____	Northwest Minnesota	_____
St. Paul Suburbs	_____	Southeast Minnesota	_____
Reservation	_____	Southwest Minnesota	_____

Cultural/Ethnic Background:

Asian/Pacific Islander	_____	Native American	_____
Black/African	_____	White/Caucasian	_____
American	_____		
Hispanic/Latino	_____	Other	_____

Financial Position

Self-employed \_\_\_\_\_  
Salaried \_\_\_\_\_  
Retired \_\_\_\_\_

Family Income

Under \$50,000 \_\_\_\_\_  
\$50,000 - \$100,000 \_\_\_\_\_  
Over \$100,000 \_\_\_\_\_

Other information, if you wish to share it:

Sexual Identity \_\_\_\_\_  
Religion \_\_\_\_\_  
Physical Ability \_\_\_\_\_

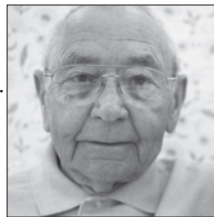


People see color, but they miss the other kinds of diversity that inform our mission to help homeless people become whole. It's important to go beyond the obvious issues like race and look at how different points of view based on different life experiences can bring deeper understanding, higher expectations, more meaningful reality testing, and bursts of genuine compassion to our work. ”

Wendy U. Jackson, Executive Director,  
East Oakland Community Project

# Funding

## GRANTMAKING



Grantmakers who define their role as advocates for strengthening the vitality of communities are often the greatest champions of diversity. How can funders ensure that their grants support the equity they value?

The San Francisco Foundation's *Application Guidelines* and *Intent to Apply Form* are good examples of incorporating inclusiveness into the proposal paperwork. A *Diversity Table* asks the grantseeker to provide data on the racial/ethnic and gender characteristics of the population benefiting from its services.

Leaders in philanthropy have noted the difficulty in collecting and properly categorizing diversity data; most are struggling to develop systems and forms that accurately reflect the range of demographics of grantees and their constituents. Some—such as the **Jessie Smith Noyes Foundation**—are successfully tracking and publishing their *grantees' race and ethnicity data*.

As a tool to promote greater effectiveness in philanthropy, Assembly Bill 624—the Foundation Diversity and Transparency Act—would have required large foundations operating in California to gather and disclose pertinent diversity data on an annual basis. Its failure to become law in 2008 poses a challenge to funders to weigh the importance of collecting statistics that shed light on the extent of diversity in grant-giving activities.

In attempting to measure the success of their diversity efforts, several foundations are arguing the need for a universal grants coding system so that data can be compared across foundations and regions. Although a universal coding system is yet to be



developed, philanthropists are refining their internal systems to better track their grants. Included in this section is an excerpt from **The California Endowment's** *target population codes*, showing its internal definitions for ethnicity. The system—which includes codes encompassing definitions for physical ability, gender, age, LGBTQ, etc.—demonstrates a specificity of detail that other funders working with highly varied target populations may find useful.

Another area in which to measure inclusiveness is a grantseeker's board and staff representation. The importance outlined in the previous section on funders' leadership and workforce applies to grantees: organizational effectiveness improves by incorporating perspectives and experiences relevant to the communities benefiting from the grants. Subscribing to this awareness, the **Ford Foundation's** *Grant Proposal Instructions* includes a table that requests information on a nonprofit's board and staff composition. The **Hyams Foundation, Inc.** encourages its grantees to increase staff/board membership reflective of their target population. If grantseekers fail to do so, Hyams uses progressively stronger language to emphasize the importance of this inclusion.

Very often, the discussion of diversity has as its underlying corollary the issue of racial justice. It is a conversation informed by a social change lens on whom and what foundations fund. Critical analysis can help grantmakers deepen their understanding of race, ethnicity, gender, sexual orientation, and other forms of social inequalities.

The **Akonadi Foundation** supports the development of powerful social change movements to eliminate structural racism and create a racially just society. Its *Funding Criteria* exemplifies the difference between simply focusing on diversity as a goal and focusing on and addressing the root causes of racial inequities. Diversity is a small step in reaching its ultimate racial justice goals. The criteria provides strongly stated grantmaking guidelines that affirm the foundation's commitment to racial and social justice.



## THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

### Racial/Ethnic Diversity [ from the Application Guidelines ]

If your organization tracks the racial/ethnic diversity of those served, please fill out the grid provided. In the "Other" box, specify groups served that are not represented on this form.

*Number of people served by project:* Provide this information when applying for project support or capacity building.

*Number of people served by organization:* All applicants are asked to provide this information. Provide only information about numbers served directly by your organization in this section. If you serve other organizations, as well as individuals, describe this in the "Target Populations" section.

*Number of people on staff:* Provide information for all employees. Show part time employees as 0.5 for half time, 0.25 for quarter time, etc. Do not include consultants or other 1099 employees.

*Number of people on the board of directors:* If your organization does not have its own 501(c)(3), provide information on the individuals on your advisory board.

#### Statement on Diversity

The Foundation collects demographic information to help evaluate the Foundation's impact on the greater Bay Area. We actively seek to promote access, equity, and diversity, and to end discrimination based on race, culture, ethnicity, gender, sexual orientation, disability, and age. The Foundation believes an organization's impact is enhanced when people from different backgrounds and perspectives are engaged in an organization's activities and decision-making process. In this spirit, applicants are asked to provide general diversity information about their board, staff, and constituency served. All demographic information is reviewed for alignment with the Foundation's diversity policy. This policy is available on the Foundation's website at [www.sff.org/grantmaking/apply.html](http://www.sff.org/grantmaking/apply.html).

### Diversity Table [ from the Intent to Apply Form ]

	# people served by project	% people served by project	# people served by organization	% people served by organization	# people on staff	# people on Board of Directors
<b>Racial/ethnic</b>						
African American/Black						
Asian American						
Hispanic/Latino						
Native American						
Pacific Islander						
White (Non-Hispanic)						
Other						
<b>Total*</b>						
<b>Gender</b>						
Female						
Male						
Transgender						

\*Totals should match totals provided on first page.

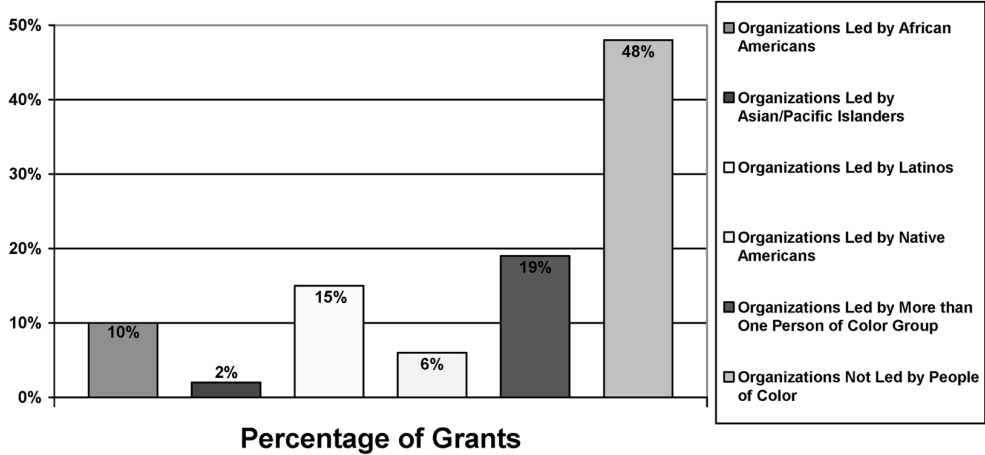


## Jessie Smith Noyes Foundation

### 2008 GRANTS BY RACE and ETHNICITY of ORGANIZATION

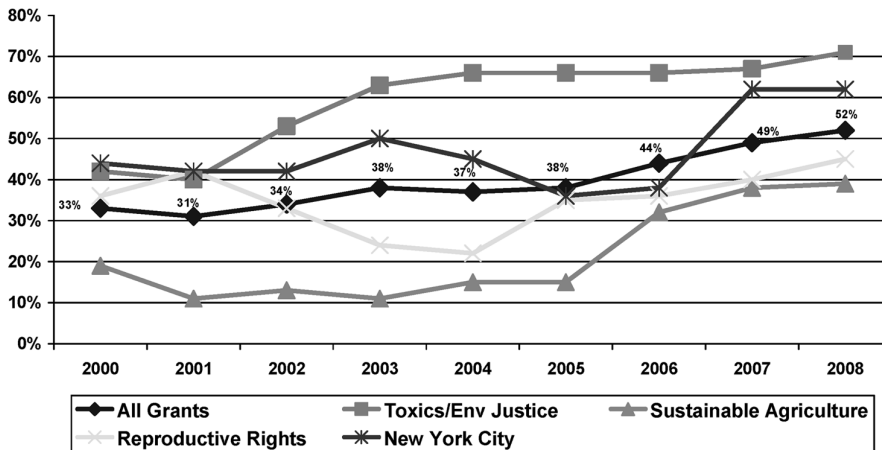
90 Grants

47 Grants to People of Color Organizations\* = 52%



\*The Noyes Foundation defines People-of-Color organizations as those where people-of-color are the primary decision-makers and constituents, and whose mission and work are based on a race/ethnic consciousness.

### Number of Grants to People of Color Organizations 2008 = 47 Out of 90 Grants



Definition of people-of-color organizations: (1) people of color are the primary decision-makers and constituents; and (2) the mission and work are based on a race/ethnic consciousness. This definition is very specific.

Excluded are non-people-of-color grantees that offer technical services or assistance to, or that have projects targeting or in partnership with, people-of-color groups. Also not included are organizations that work in predominately low-income, white communities that are controlled by and reflect their constituency.



## Ethnicity Codes for Grantmaking Evaluation

Ethnicity Codes	Definition
<b>Multi/No Single Ethnicity Targeted</b>	No specific or single ethnicity targeted. <i>Use only when general population and no percentage can be determined.</i>
<b>American Indian/Native American</b>	American Indians or groups of American Indian heritage, including Inuit people from Alaska and Canada.
<b>Asian/Pacific Islander</b>  East Asian  Pacific Islander  South Asian  Southeast Asian	Asian/Pacific Islander or API immigrants.  Specifically, East Asians (e.g., Chinese, Japanese, Korean). Specifically, Pacific Islanders, including native Hawaiians (e.g., Tahitian, Samoan). Specifically, South Asian heritage (e.g., Indian, Pakistani). Specifically, Southeast Asian heritage (e.g., Thai, Filipino, Hmong).
<b>Black/African American</b>  Central African  East African  Southern African  West African	African Americans or African immigrants.  Specifically, Central Africans (e.g., Congo, Cameroon). Specifically, East Africans (e.g., Ethiopian, Somali). Specifically, Southern Africans (e.g., South African, Zimbabwean). Specifically, West Africans (e.g., Ghanaian, Senegalese).
<b>Latino</b>  Caribbean  Central American  Mexican  South American	Latin Americans or Latino immigrants.  Specifically, Caribbean (e.g., Haitian, Jamaican). Specifically, Central Americans (e.g., Nicaraguan, Salvadoran). Specifically, Mexicans (including indigenous populations, e.g., Oaxacan, Mexteco). Specifically, South Americans (e.g., Argentine, Chilean).
<b>White/Caucasian</b>  Eastern European  Middle Eastern  Western European	White Americans or Caucasian immigrants.  Specifically, Eastern Europeans (e.g., Croatian, Polish, Hungarian). Specifically, Middle Easterners (e.g., Egyptian, Iraqi, Iranian). Specifically, Western Europeans (e.g., French, English, Dutch).



# FORD FOUNDATION

## Grant Proposal Instructions

### Diversity Information

If you have not already done so, please also include a narrative to help the Foundation understand how your organization approaches issues of diversity and the relevance of diversity to the proposed project or to your work in general. This 1-2 page narrative should address the following questions:

- What forms of diversity (e.g., gender, racial, cultural, religious, immigrant/refugee background, linguistic, etc.) do you think are important for strengthening the quality of the work proposed and why? Does your organization's staff and governance reflect this diversity?
- How do you propose to draw upon diverse perspectives in the community or field that the proposed work will serve?
- What diversity challenges does your organization face in its work overall?
- What progress has your organization made to increase its diversity in the last two to three years?

The proposal should also include information on the current diversity of the Board and staff of your organization and/or project in the following format. In addition to providing information concerning under-represented and gender representation, you may wish to add to the following format an additional category, with gender breakdown, of a group you deem also essential to your proposed activities (e.g., a category such as religion, sexual minority, youth, refugees, etc.). If you need additional guidance on completing the diversity table, please contact your Program Officer.

	Under-represented(*)		Total		_____ (**)	
	Female	Male	Female	Male	Female	Male
Board	0	0	0	0		
Professional staff	0	0	0	0		
Support staff	0	0	0	0		

\* Racial/ethnic group or caste† Please define in the narrative the meaning of under-represented for your social context, identifying particular group(s) referred to.

\*\* If you wish to indicate the representation of other excluded groups relevant to your project or context, please use this column and include a description in the narrative.

† The Ford Foundation's "caste" term is due to its international funding activities

# THE HYAMS FOUNDATION

## Grantmaking Guidelines

February, 2008

### **Our Commitment to Racial Equity and Diversity**

In choosing its major areas of focus, one key criterion used by the trustees was whether the Foundation's grantmaking would have the potential to reduce racial and ethnic disparities. As you will see in the grantmaking guidelines, significant and troubling racial and ethnic disparities are present in Boston and Chelsea today in the civic engagement and housing areas and for low-income teens. The Foundation will seek specific grant-making opportunities that directly address these disparities and will be aware of and sensitive to them in all of its program areas.

The Foundation also will continue to consider organizational diversity in all of its funding decisions. The Foundation believes that well-functioning organizations that also have racially and ethnically diverse boards and staff are more effective in serving and empowering Boston and Chelsea's communities. It will continue to use board and staff diversity as an important funding criterion while also exploring with applicants the connection between diversity and organizational effectiveness.

### **Sample paragraphs inserted in grant letters on the subject of diversity**

*This paragraph is inserted when diversity issue is first raised:*

In discussing this grant, the trustees wanted to encourage (agency) to focus on increasing (board, management and staff) diversity. We would ask that you report on progress in these areas in your final report to the Foundation.

*This paragraph is inserted when diversity issue is still a problem (stronger):*

In discussing this grant, the trustees wanted to strongly encourage (agency) to increase diversity at both the board and staff levels. We ask that you report on progress in these areas in your final report to the Foundation. Progress in these areas will be an important consideration when the Foundation reviews any subsequent grant requests.

*This paragraph is inserted when diversity issue has been raised several times and not addressed (strongest):*

In discussing this grant, the trustees wanted to strongly encourage (agency) to increase diversity at both the board and staff levels. We ask that you report on progress in these areas in your final report to the Foundation. The trustees are unlikely to provide additional support to (agency) unless significant progress is made in addressing board and staff diversity.

# AKONADI FOUNDATION

## Funding Criteria

### **What kinds of grants does Akonadi Foundation make?**

The Akonadi Foundation provides general support and project specific grants to organizations working as part of powerful social change movements working to eliminate structural racism and create a racially just society. The size of a one-year Akonadi grant ranges from \$10,000 to \$75,000. Because Akonadi is committed to long-term partnerships with the organizations we fund through the BAM and the RAP, very few, if any, new grants are made each year. We do not take unsolicited proposals and are not currently accepting letters of inquiry.

For more information on BAM and RAP, please follow the links to other pages of this website. The Akonadi Foundation also provides grants through the Strategic Opportunity Support (SOS)Fund.

### **What are the eligibility criteria for BAM and RAP (for organizations that have been invited to apply)?**

#### **Building a Movement Fund Eligibility Criteria**

- Strong racial justice and/or structural racism analysis with a clear relationship between analysis and organizational practice, and a deep understanding and promotion of a structural racism framework;
- Comprehensive analysis that recognizes the relationship between power, policy and culture in movement building;
- A track record of successful work toward a long-term vision of racial justice;
- Leadership body accountable to constituency of stakeholders;
- Demonstrated commitment to racial justice movement building (i.e., moving large numbers of people to action using shared strategy, shared principles and shared goals to eliminate structural racism and create a racially just society).

#### **Race and Place Fund Eligibility Criteria**

- Organization is engaged in Oakland-based work that contributes to racial justice movement building. (Note: Akonadi is committed to supporting a cross section of cultural work, community power building, and policy creation and advocacy);
- Focuses explicitly (not necessarily exclusively) on racial justice as a core element of its work;
- Demonstrated commitment to multi-racial and cross sector alliance building in Oakland, even if based in one particular race/ethnic group);
- Demonstrated commitment to racial justice movement building (i.e., moving large numbers of people to action using shared strategy, shared principles and shared goals to eliminate structural racism and create a racially just society).





We realize that a rich diversity of racial backgrounds, ethnicities, gender, ages, and points of view contributes to the creativity of the Foundation's thinking and to its effectiveness with the communities, clients, and leaders with whom we work. Accordingly, we seek to... use our grant-making and consulting resources in an equitable manner with regard to race, ethnicity, and gender.”

Annie E. Casey Foundation,  
excerpt from Standard and Principle on Diversity

# Contracting

VENDORS & CONSULTANTS

**Philanthropy's purchasing power** affords a way to increase financial opportunities for all of a grantmaker's constituents, including the businesses that drive a community's economy. Some foundations are making an effort to increase their use of a cross-section of vendors and consultants as they develop strategies to increase outsourcing diversity. Some are seeking socially responsible and minority- or women-owned enterprises as well as those that make a priority of engaging or employing local residents.

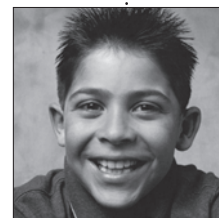
For funders such as the **Hyams Foundation, Inc.** using local, minority-owned goods and service providers also supports its program priorities, which include revitalizing and strengthening low-income Massachusetts neighborhoods.

This section exhibits three documents from **The San Francisco Foundation**: (1) *Consultant/Vendor Diversity Policy*, (2) *Guidelines for Hiring Independent Contractors or Consultants*, and (3) a *letter* requesting data to help the foundation ensure that "our organizational and governing structures reflect the diversity of the community around us." Together, they offer a model for a comprehensive approach to bringing consumer power into the framework of a democratic philanthropy.

The *letter and survey* from the **W.K. Kellogg Foundation** addressed to grantees and vendors testify to a commitment to equity by gathering data to help evaluate the funder's practices.

**The California Endowment's Request for Proposals** to potential external evaluators is a good example of how to incorporate strong language around cultural competency skills and experience.

Through the hiring of vendors and consultants, foundations can support diversity by making an effort to work with businesses that are owned and operated by or whose personnel is composed of a broader spectrum of the population—and thus participate in the development of a lively economy employing a pluralistic workforce.



## THE HYAMS FOUNDATION

### Applying Program Priorities to Non-grant Spending

This policy statement is intended to help guide the Foundation's non-grant spending. It applies the most fundamental aspects of the Foundation's program priorities... revitalizing low-income neighborhoods, strengthening low-income communities and promoting diversity...to the purchase of goods and services.

As often as possible, the Foundation will purchase goods<sup>1</sup> and services<sup>2</sup> from neighborhood-based businesses located in Boston, Cambridge, Somerville, Chelsea and Lynn. Preference will be given to those owned and controlled by people of color and women. Because not all goods and services can be obtained from neighborhood-based businesses, in some cases the Foundation may choose a business run by people of color or women that is not neighborhood-based. For that matter, it also may choose a neighborhood-based business that is not run by people of color or women.

In the event that a service cannot be secured from a neighborhood-based business or business owned by people of color or women, Foundation staff and trustees will inquire as to the number of people of color and women on staff and take this into account in evaluating whether to do business with a particular vendor/contractor. If people of color and women are on staff, the Foundation might request that they work on its "account." The Foundation also might take into account a business's commitment to the community as demonstrated by its pro bono work, charitable contributions or any other mechanism it has in place.

In an attempt to adopt workplace practices that support a healthy environment, staff, whenever possible, will purchase recycled products and avoid buying products that damage the environment (i.e., Styrofoam).

<sup>1</sup> "Goods" purchased by the Foundation include office and kitchen supplies, furniture, publications, flowers, etc.

<sup>2</sup> "Services" purchased by the Foundation include financial and investment services; legal services; evaluation, diversity, grantmaking consultants; travel services; catering services; photography, design and printing services; etc.

Adopted 10/1993

# THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

## **Consultant/Vendor Diversity Policy**

Adopted October, 2001

When searching for and reviewing candidates, care should be undertaken to ensure that the search and hire process embraces the Foundation's values around diversity. The following policy, which is consistent with the Foundation's overall diversity policy, should be adhered to at all times during the search and hire process:

It is the policy of The San Francisco Foundation to promote, increase, and improve the quality of the overall participation of Minority, Women, Disabled, Gay, Lesbian, Bisexual, Transgender or Veteran-Owned Business Enterprises and small business enterprises in our purchases of materials and services.

Maximum practicable opportunity shall be given to minority, women, and disabled veteran-owned business enterprises to participate as suppliers of materials and services to the Foundation.

The Foundation also encourages subcontracting opportunities for minority, women, and disabled veteran-owned business by requiring our primary vendors/consultants to report, at least annually, on their subcontracting opportunities for Minority, Women, Disabled, Gay, Lesbian, Bisexual, Transgender or Veteran-Owned Business Enterprises.

## THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

### **Guidelines for Hiring Independent Contractors or Consultants**

The San Francisco Foundation requires the completion of an Agreement for Independent Contractor or Consultant Services when securing the services of an independent contractor or consultant costing \$500 or more for a single engagement or for services collectively costing \$500 or more in a calendar year.

The following guidelines apply to all independent contractor/consultant relationships of \$500 or more:

#### **Independent Contractor Classification Guidelines**

Independent contractors and consultants perform, on a contractual basis, a specific function, which is usually task/and or term limited. The IRS has issued specific guidelines stating under which circumstances an individual should be classified as an independent contractor/consultant. Before hiring an independent contractor/consultant, the following aspects of the job should be evaluated to ensure that the person can be classified as an independent contractor and should not be classified as an employee. This list highlights the main factors, but is not inclusive. **If the answer to any of these questions is yes, the person may need to be classified as an employee and not an independent contractor.** If, after review of the following factors, classification is unclear, check with Human Resources.

- 1) Will the person be instructed or supervised? (Versus working independently without supervision.)
- 2) Can the worker quit or be discharged at any time?
- 3) Is the work being performed part of our regular business?
- 4) Is the person working only for TSFF and for no other clients?
- 5) Do we have employees who do the same type of work?
- 6) Do we furnish the tools, equipment or supplies to perform the work?
- 7) Is the person paid a fixed salary or an hourly wage? (Versus being paid a lump sum, per project rate.)

#### **Consultant Fees**

Once the need for an independent contractor has been identified, a search process should be undertaken to ensure that the best possible qualified candidate with the best rate is

selected for the job. Candidates should be compared on their qualifications for the job as well as on their fee. The Foundation utilizes the services of numerous independent contractors and consultants every year. This collective experience provides valuable insight into appropriate fee structures for specific types of consulting work. Contact Human Resources for recommendations on fee parameters for specific engagements. Fee agreements expected to equal or exceed the equivalent of \$100 per hour must be approved by Human Resources PRIOR to agreement with the consultant/contractor. Additionally, the Foundation has established a cap of \$150 per hour (or the equivalent) for independent consultant/contractor engagements.

### **Foundation Diversity Policy**

When searching for and reviewing candidates, care should be undertaken to ensure that the search and hire process embraces the Foundation's values around diversity. To ensure all parties are aware of the Foundation's Consultant/Vendor Diversity Policy the policy is incorporated directly into the consultant agreement under item #6.

### **Consultant/Contractor Agreements of \$25,000 or More (individually or collectively in a calendar year)**

- Staff is required to seek a minimum of three (3) "bids" from qualified consultants/contractors prior to making a final selection.
- In identifying qualified consultants/contractors, staff must ensure that sufficient outreach to a diverse group of candidates occurs.
- All consultants/contractors participating in the bidding process must provide diversity data as specified in TSFF's diversity letter attached to these guidelines. (Diversity data must be turned into Human Resources prior to making a final selection.)

### **Contract and Terms**

Once a contractor has been selected, a contract must be signed between both parties. The purpose of the contract is to garner agreement on the nature, scope, and price of the project. This agreement provides a basis for recourse in the event that either party does not fulfill the contract. The Foundation has a standard agreement (located in a folder in f:\forms\finance\consultant agreement forms) that must be used at all times, even if the consultant/contractor has his/her own agreement.

All contracts must be reviewed by Finance for legal and liability content prior to signing. Depending on the nature and scope of the contract, the contract may also need to be reviewed by Foundation legal counsel. All contracts must also be signed by the Department Head.

No work shall commence until the contractor and the Foundation have signed the Foundation's contract.

## THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

Date

Name

Title

Address

City, State, Zip Code

Dear ,

As a community foundation, The San Francisco Foundation serves an array of diverse constituents in its grantmaking, donor services, and community partnerships. Sensitivity to and inclusion of this diverse population are important to us. As a result, we have taken steps to ensure that our organizational and governing structures reflect the diversity of the community around us. To further communicate the importance of this philosophy, we request suppliers of materials and services to the Foundation provide data on the racial/ethnic, gender, veteran and disabled composition of their organizations.

Please complete the following information and return it to \_\_\_\_\_ by \_\_\_\_\_

My business enterprise is (check all that apply):  
 Woman Owned  
 Minority Owned  
 Disabled Owned  
 Veteran Owned

The current staff composition is as follows:

	<i>MINORITY</i>		<i>NON-MINORITY</i>	
	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>
<i>Professional Staff</i>				
<i>Support Staff</i>				
<i>Board of Directors/Trustees</i>				
<i>TOTAL</i>				

Sincerely,





January 20, 2009

Dear Grantees, Colleagues, and Partners:

As the Kellogg Foundation sharpens its focus on creating a world where all children thrive, we are particularly dedicated to being an anti-racist organization and to working to promote racial equity – ensuring that no child is denied the opportunity or support they need to be active, contributing members of our society.

With that in mind, we are asking for your participation in a survey that will enable us to measure where we currently stand on our own commitment to racial equity. Setting a baseline now will enable us to track our progress over the years to come as we seek to engage grantees, intermediaries, consultants, and partners who are similarly committed to improving the lives of all vulnerable children and to achieving racial equity.

As one of the largest private foundations in the U.S., we are committed to providing leadership within the philanthropic sector as the sector itself embraces and advances the potential power that a focus on racial equity brings to our work. The data will allow us to share accurate information and potentially – along with our colleagues – raise sector standards over time.

Please take a moment to respond to this single question and return it to us in the self-addressed, stamped envelope we have included. Also, be aware that since this project is intended to be a comparative review over time, we may approach you again in the future. If you have questions, don't hesitate to call Jane Feilen at 269-969-2135.

We would appreciate receiving your response by Friday, February 20, 2009.

We believe that the time is right to escalate our attention to helping communities become places where all children can succeed. We thank you for sharing in our work.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sterling K. Speirn'.

Sterling K. Speirn  
President & CEO

**W.K. KELLOGG  
FOUNDATION**

One Michigan  
Avenue East  
Battle Creek, MI  
49017-4012  
USA  
269-968-1611  
TDD on site  
Facsimile: 269-968-0413  
www.wkkf.org

*The W.K. Kellogg  
Foundation supports  
children, families, and  
communities as they  
strengthen and create  
conditions that propel  
vulnerable children to  
achieve success as  
individuals and as  
contributors to the larger  
community and society.*





Grantee Organization Name: (enter org name)

As part of the W.K. Kellogg Foundation’s (WKKF) mission of advancing racial equity in this country, we would like to learn more about our grantee and vendor communities. Therefore, we are asking grantees and vendors to assist in this purpose by providing basic information about their workforce demographics. This information will be kept confidential, although WKKF may share its aggregate findings as appropriate with other foundations and philanthropic organizations engaged in like information-gathering. WKKF will not, however, share identifying information about any particular entity.

Please complete the chart below for your organization as a whole for 2007: (count each person only once, based on his or her primary role; choose a date during 2007 that best represents your staffing and/or is the easiest for you to respond to this request)

Staff Category	Number of people in this category who consider themselves:							TOTAL
	White, non-Hispanic/Latino	Black, non-Hispanic/Latino	Hispanic/Latino	American Indian/Alaskan Native	Asian	Native Hawaiian or other Pacific Islander	Two or More Races	
Board Members								
Senior Management								
Program Staff								
Administrative Staff								
Other Staff								
<b>TOTAL</b>								

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

Contact E-mail \_\_\_\_\_

Contact Phone \_\_\_\_\_

Thank you.



## Request for Proposals (RFP) for External Evaluation [ Seeking Diversity ]

The methods and strategies for the evaluation should be:...

- culturally appropriate – adequately addressing the cultures of the populations served by the grants, and any relevant cultural issues in staffing, data collection processes and tools, data interpretation, and the like.
- context-sensitive – identifying and assessing important contextual and circumstantial variables influencing project processes and outcomes.

### **Criteria for Review of Applications**

The Endowment will review the Proposal in accordance with the following criteria (there is no significance to the ordering of these criteria). The applicant:...

- Demonstrates depth and breadth of evaluation knowledge, skills, and experience with insert issue, or the like, as applied to insert issue population.
- Shows evidence of skills and ability to partner with diverse communities and stakeholders.
- Presents a team of knowledgeable, culturally competent, staff who provide the evaluation with reasonable levels of effort.
- Demonstrates an ability to work with teams of individuals and/or organizations who may hold diverse perspectives.

“Ultimately, we want to make a positive difference by improving opportunities for individuals, families, and communities, and still meet our financial investment goals. Mission-driven investing is another tool that we can use to leverage our resources...It allows us to preserve and grow our financial resources, while realizing greater social change by being able to leverage our endowment to serve the public good.”

Sterling Speirn, President and CEO, W.K. Kellogg Foundation

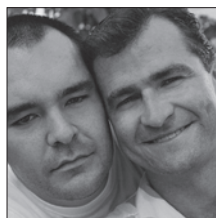
# Strategic INVESTMENTS

**Strategic investing** offers another avenue for building diversity into a foundation’s social justice framework. Philanthropic endowments can be an integral part of the organizational decision to support plurality in every aspect of a foundation’s activities—helping to advance the goals of the institution.

Examples in this section include the **Rockefeller Foundation’s *Social Investing Guidelines***, which acknowledges that “the investment of the endowment...not only fuels our grantmaking but also holds the potential for more directly advancing our work.”

The review of investing strategies by foundations highlighted the innovative practice of investing directly in communities with loans for charitable purposes. The excerpt from the Web site of the **John D. and Catherine T. MacArthur Foundation** illustrates the foundation’s commitment to building the vibrancy of its grantees’ economic base through *program-related investments (PRI)*—a creative investment mechanism pioneered by the **Ford Foundation** in 1968. The **W.K. Kellogg Foundation** describes its strategy as *mission-driven investing* in a pilot program that earmarks a portion of its endowment assets for community lending. Although none of these are examples of strategic investing as a tool for supporting diversity, the potential is apparent for those institutions whose commitment to democratic grantmaking is foremost in their mission and practices.

The samples show how foundations are leveraging their assets for mission- or program-related purposes, whether by making sound, socially responsible investments or setting aside a pool of money to finance community-based enterprises. All champion “double bottom line” investing to realize both financial and social returns for grantmakers and grantseekers alike.



# The Rockefeller Foundation

## Social Investing Guidelines

The Rockefeller Foundation was founded in 1913 by John D. Rockefeller, Sr. to “promote the well-being” of humanity. Today the Foundation works around the world to expand opportunities for poor or vulnerable people and to help ensure that globalization’s benefits are more widely shared. It is one of the few institutions to conduct such work both within the United States and internationally.

The Foundation has a significant endowment, the result of the gifts by Mr. Rockefeller. He intended that the Foundation would work in perpetuity, and our investments are managed with this in mind. Thus we seek to balance two long-term objectives – maximizing funds for current programs and maintaining “generational neutrality.” This concept of generational neutrality – managing the endowment to ensure grant-making ability over the long term – remains a touchstone for the Foundation.

The investment of the endowment, we recognize, not only fuels our grant-making but also holds the potential for more directly advancing our work – or, if invested unwisely, to retard that work. We take seriously questions surrounding the deployment of our funds, just as we do issues surrounding our program initiatives. That is why we set out this policy, clearly and publicly. The policy statement, like all the Foundations policies, will be reviewed from time to time by the Foundation’s staff and, if necessary, by its Board of Trustees, to ensure that our investments remain consonant with our work.

There are four ways that an institution such as the Rockefeller Foundation can align its investment portfolio with its programmatic mission and initiatives.

They are:

- Investments with social value – investments that are evaluated first with an investment screen and second with a social screen;
- Socially targeted investing – investments that are evaluated first with a social screen and second with an investment screen;
- Shareholder advocacy – including voting proxies in a manner consistent with program and values; and
- Negative screening – barring holdings in companies deemed particularly problematic.

Investments with social value – The Foundation has long sought public and private investments of this sort. For example, funds that promote renewable energy and support sustainable forestry practices are in our current portfolio.

Socially targeted investing – Such investments include those that meet the legal criteria to qualify as program-related investments (PRI's), as well as other program-driven investments, such as loans, equity commitments and social entrepreneurship (which employs a venture capital model). The Rockefeller Foundation has undertaken \$59 million in program-related and program-driven investments over the last two decades, including \$20 million through our Pro-VenEx experiment (\$12 million of this structured as PRI's).

We have learned from this experience that investment and loans can be creatively deployed to enable established intermediaries (such as micro-finance banks or community loan funds) to extend the reach of their services to poorer and more vulnerable communities. More generally, we have concluded that, while time- and resource-intensive, directed social investing can be successful if deployed in carefully selected asset classes, investment instruments and sectors, such as fixed income investments in U.S. community development or micro-finance. The Foundation will continue to make such investments from time to time, and particularly in circumstances that support our program initiatives

Shareholder advocacy – For many years the Foundation has taken an active approach to voting the proxies of equities directly held in our endowment portfolio, considering both corporate governance and social issues. Proxies on governance are voted in line with evolving standards of good practice. On social issues related to our program work, votes are cast consistent with positions we have taken programmatically. In 2006, the Foundation voted on such proposals at nearly 200 shareholder meetings, and cast votes on almost 2,000 such items. The Foundation does not hesitate to vote proxies adverse to the recommendation of management of companies in which it holds shares, and has regularly done so, when appropriate, on issues of both corporate governance and social questions.

Negative screening – We have determined that the Foundation will not directly invest in the securities of companies whose primary activity is related to tobacco.

# MACARTHUR

John D. and Catherine T. MacArthur Foundation

## Program-Related Investments

### Grantmaking Guidelines

To expand the impact of its grantmaking, the MacArthur Foundation uses program-related investments (PRIs). PRIs are an innovative type of philanthropy tool that usually takes the form of low-interest loans to nonprofit organizations.

Since 1983, MacArthur has awarded approximately \$350 million in PRIs to 136 organizations active in the U.S. and around the world in a range of fields, including health, conservation, education, and independent media. Most PRIs support nonprofit organizations and financial institutions dedicated to increasing economic opportunity among low-income people and fostering vibrant, stable communities.

### What MacArthur Funds

Currently, the Foundation has authorized \$300 million for PRIs. As of December 31, 2008, \$254 million of these funds were committed or budgeted for ongoing work in two key priority areas:

#### **To preserve and improve 300,000 affordable rental homes nationwide**

Window of Opportunity: Preserving Affordable Rental Housing is a \$150-million national initiative that includes PRI and grant support for twenty-five large nonprofit housing developers, nine specialized financial intermediaries, more than a dozen states and localities (including Chicago and New York City), and seven national organizations working to identify and solve key preservation challenges throughout the country. By fostering lasting policy reforms at a significant scale, the initiative aims to stem a projected loss of one million affordable rental homes over the decade ahead.

#### **To revitalize and strengthen sixteen high-poverty Chicago communities**

To advance the work of MacArthur's New Communities Program, the Foundation has provided PRI capital to leading Chicago-based community development financial institutions. PRIs totaling \$15 million also have been used to support the transformation of Chicago's troubled public housing into new, mixed-income communities.

Up to \$60 million in PRIs have been authorized as part of the Foundation's Foreclosure Prevention and Mitigation Project, which aims to help residents of hard-hit neighborhoods stay in their homes or access favorable financing to rent or purchase a new home and to help the City of Chicago and its nonprofit partner, Mercy Housing, Inc., acquire and dispose of vacant and abandoned properties in an effort to reduce the blight of the foreclosure crisis on neighborhoods.





## Mission-Driven Investing



Mission-driven investing is a pilot investment program. This is not a grantmaking program. If you are seeking a grant, please visit the [Grantseeking section](#) of our web site.



The following information relates to our U.S. investments only. Mission-driven investment funds earmarked for Africa have been fully committed. No new mission-driven investments are being made in Africa at this time.

The W.K. Kellogg Foundation has earmarked \$100 million of its endowment assets for a pilot program in mission-driven investing. Mission-driven investing (MDI) is a process whereby the Foundation invests its assets in a way that realizes both financial and social returns, also known as “double bottom line” investing. Of the \$100 million, \$25 million has been designated to mission-driven investments in southern Africa, while the balance - \$75 million - will be used for investments in the United States.

The goal of the Kellogg Foundation's mission-driven investment program is to understand how to better leverage the Foundation's assets for mission purposes. It hopes to recycle capital and preserve its endowment while driving mission impact and potentially extend upon this initial effort.

“Ultimately, we want to make a positive difference by improving opportunities for individuals, families and communities, and still meet our financial investment goals,”



We must be the architects for strategic investments that promote the common good through diversity. We in organized philanthropy have an obligation to be institutional role models. Unless we achieve greater inclusivity, we can have no right to claim societal leadership in this arena.”

Steve Gunderson, President, Council on Foundations

# Appendix A

NATIONAL FOUNDATION DIVERSITY SCAN

## Foundations

1. Akonadi Foundation
2. Annie E. Casey Foundation\*
3. California Community Foundation
4. California Wellness Foundation
5. Cleveland Foundation
6. C.S. Mott Foundation\*
7. Dade Community Foundation
8. David & Lucile Packard Foundation\*
9. Evelyn & Walter Haas, Jr. Fund
10. Ford Foundation\*
11. Hyams Foundation, Inc.\*
12. Healthcare Georgia Foundation
13. Humboldt Area Foundation
14. Jessie Smith Noyes Foundation
15. John D. and Catherine T. MacArthur Foundation
16. Lloyd A. Fry Foundation
17. Marguerite Casey Foundation
18. Montana Community Foundation
19. Needmor Foundation
20. Prudential Foundation
21. Robert Wood Johnson Foundation
22. Rockefeller Brothers Fund
23. Rockefeller Foundation
24. Rosenberg Foundation
25. Saul and Dayee G. Haas Foundation
26. The Atlantic Philanthropies
27. The California Endowment\*
28. The James Irvine Foundation
29. The San Francisco Foundation
30. W.K. Kellogg Foundation
31. Wallace Alexander Gerbode Foundation
32. William & Flora Hewlett Foundation
33. Women's Foundation of Minnesota
34. Z. Smith Reynolds Foundation

## Other Philanthropic Organizations

1. Asian Americans/Pacific Islanders in Philanthropy
2. Council on Foundations
3. Council of Michigan Foundations
4. Funders for Lesbian and Gay Issues
5. Hispanics in Philanthropy
6. Native Americans in Philanthropy
7. New York Regional Association of Grantmakers
8. Philanthropic Initiative for Racial Equity
9. Rockefeller Philanthropy Advisors\*
10. The Center for Effective Philanthropy
11. The Foundation Center\*

*\*Interviewed*

# Appendix B

## RESOURCES FOR BUILDING PHILANTHROPIC DIVERSITY

With the host of innovative work around the intersection of philanthropy and diversity, this resource list is only partial but may serve as an introduction leading to other resources.

### Diversity, Inclusion, Race, and Racism

#### Publications, Print and Online

Building on a Better Foundation: A Toolkit for Creating an Inclusive Grantmaking Organization  
Minnesota Council on Foundations  
[www.mcf.org/mcf/resource/diversitytoolkit.htm](http://www.mcf.org/mcf/resource/diversitytoolkit.htm)

Capitalizing on Diversity Toolkit for Grantmaking  
The W. K. Kellogg Foundation  
[www.spra.com/CODtoolkit/index.html](http://www.spra.com/CODtoolkit/index.html)

Grant Making with a Racial Equity Lens  
Philanthropic Initiative for Racial Equity and Grantcraft  
[www.grantcraft.org](http://www.grantcraft.org)

#### Organizations and Initiatives

Denver Foundation's Inclusiveness Projects  
[www.nonprofitinclusiveness.org](http://www.nonprofitinclusiveness.org)

Diversity in Philanthropy Project  
[www.diversityinphilanthropy.org](http://www.diversityinphilanthropy.org)

Greenlining Institute  
[www.greenlining.org/initiatives/democratizing-democracy](http://www.greenlining.org/initiatives/democratizing-democracy)

National Committee for Responsible Philanthropy  
[www.ncrp.org](http://www.ncrp.org)

Philanthropic Initiative for Racial Equity  
[www.racialequity.org](http://www.racialequity.org)

Race and Equity in Philanthropy Groups  
[www.margainc.com/html/rep/html](http://www.margainc.com/html/rep/rep/html)

Racial Equity Tools  
Center for Assessment and Policy Development and MP Associates  
[www.racialequitytools.org](http://www.racialequitytools.org)

#### Program-related Investments

The Ford Foundation  
[www.fordfound.org/pdfs/grants/Investing\\_For\\_Social\\_Gain.pdf](http://www.fordfound.org/pdfs/grants/Investing_For_Social_Gain.pdf)

The Foundation Center  
<http://foundationcenter.org/getstarted/faqs/html/pri.html>

#### Affinity Organizations for Diversity

Asian Americans/Pacific Islanders in Philanthropy  
[www.aapip.org](http://www.aapip.org)

Association of Black Foundation Executives  
[www.abfe.org](http://www.abfe.org)

Disability Funders Network  
[www.disabilityfunders.org](http://www.disabilityfunders.org)

Forum of Regional Association of Grantmakers  
[www.givingforum.org](http://www.givingforum.org)

Funders for Lesbian and Gay Issues  
[www.lgbtfunders.org](http://www.lgbtfunders.org)

Grantmakers Concerned with Immigrants and Refugees  
[www.gcir.org](http://www.gcir.org)

Hispanics in Philanthropy  
[www.hiponline.org](http://www.hiponline.org)

International Funders for Indigenous Peoples  
[www.internationalfunders.org](http://www.internationalfunders.org)

Jewish Funders Network  
[www.jfunders.org](http://www.jfunders.org)

Native Americans in Philanthropy  
[www.nativephilanthropy.org](http://www.nativephilanthropy.org)

Women and Philanthropy  
[www.womenphil.org](http://www.womenphil.org)

Women's Funding Network  
[www.womensfundingnetwork.org](http://www.womensfundingnetwork.org)