

North American Street Newspaper Association (NASNA)

Session #1

What do foundations look for in a grant?

Notes

Presenters:

Mark Hallett [mhallett@mccormickfoundation.org] and Molly Baltman [mbaltman@mccormickfoundation.org]

Notes:

Sean Condon (sean@megaphonemagazine.com)

Mark:

McCormick has a \$5.9 million budget for journalism grants. We partner with between 65 and 85 initiatives a year. Average grant \$20,000/yr and as high as \$60,000/yr.

Journalism industry is in flux – we used to do a lot more with mainstream media (press freedom Latin America, first amendment initiatives, etc.). Now tending to fund positive examples of where exciting things in journalism are happening – content, audience and rights.

Content: Training for reporters (Newsrooms are smaller – cover climate change, gulf oil spill – issues hard to dig teeth into.)

Audience: Our biggest area of grant making. Youth media and teen journalism initiatives. Mainly in Chicago, but also NY and LA.

Rights: Access to information and FOI requests. Most newsrooms don't have legal room. We help build support network so media have someone to turn to when legal issues arrives.

Doing international work before, but more Chicago-centric now (half of budget), other half to other areas in US/Intl.

Molly:

We work in community program. Partnered with sports teams, broadcast companies — Tribune owned. McCormick matches 50 cents to the dollar that partners contribute. Have 20 mini-foundations with program. Last year granted \$28 million – most money raised by public and then matched.

We look at community building. Has to be a tie-in to meeting clients and putting on path to self-sufficiency. Program officers in my area more generalists. We depend on agencies to help inform us.

Just went through Strategic Plan session that will give us more focus. I'm looking at housing and organizations that are aligning with 10-year city plans to end homelessness and longer-term complete services.

Mark:

Once a year there's a board meeting for larger initiatives (over \$50,000). Right now ramping up towards September meeting. Typically go to board with 20 larger proposals. So there's one big opportunity a year – and smaller waves of opportunity throughout the year.

We ask people for LOI – believe in LOI more than a conversation. When see something written down on page, it becomes really crystal clear. Want a two-page LOI that covers who we are, what we want to do and how we want to go about it, what's the need, timeframe, ultimate outcome, budget (how much \$ you're looking for).

After LOI, team discusses proposal and if interest, ask for full proposal. Want LOI flushed out, full budget, history of group, IRS letter, organization's last audited finances. Here is what's needed:

- Mission and focus
 - Basic outline of organization.
- Need statement
 - Do you have the data to back up need?
- Evidence of impact
 - How do you track what you're doing and measure how successful; how serving vendors; how meet needs of readers.
- People behind the curtain
 - Who is part of organization? People make more difference than organization. Need to be candid. People and relationships make a lot of difference.
- Other funders
 - How successful are you with getting others excited about organization; does board donate?
- Financial statements
 - Did organization run a deficit?
- Diversity of staffing and audience
 - Want to see broad reach
- Size of problem vs. need
 - Is there a huge disparity between what's out there and what's being proposed?
- Is mission/focus fit for us
 - Could be amazing proposal, but doesn't fit with our guidelines.

Molly: **Thing we're looking for**

- 501c letter needs to be current.

- Be as clear as you can be about evidence of outcome and impacts. Want to see data of number of people served, how many stayed with organization, how where they helped, where were they referred?

- Collaborations: Are you only organization in town – are you partnering with similar organizations? How is the issue being addressed at a city level – what other agencies are aligned to maximize resources? We don't expect you to have concrete partnerships, but refer people to each other or sit on same planning table at community tables.

Bruce Crane: We've asked funders to suggest partners and had success building relationship through this method.

Mark: Part of what we're trying to convey is the importance of candour. I have a 'no surprises policy' with grantees. Share any bad news with me, but don't surprise me. (Policy for this varies between foundations.)

Mark: For new organizations – some funders have rules about how long you've been around to be considered for funding. In journalism, it's different now. Many journalism funders want to fund start-ups because there's so much innovation. Knight Foundation funds many start-ups and for-profit organizations. But if don't have long track records, you still have a mission/need. If new, talk about the organization that is controlling your paper or people leading organization. Using data from industry (street papers) could help case.

Mark: One of our biggest weaknesses is that we're five programs within one foundation – each program is independent. Hopefully as an organization, there will be more synergy. But right now programs have different guidelines and expertise. One day our goal is to have synergy between programs.

Question: How do you feel about political/advocacy campaigns?

Molly: Private foundations have to be careful because of tax breaks. It's tough to mix politics and grant making.

Mark: Depends on details. There is leverage and potential for government funding. But also fraught with questions that arise.

Question: How does turnover impact decision?

Mark: It's a risk to focus too much on executive director. My focus is on relationship and candour and learning how they envision initiatives. But high turnover can be a downside.

Question: How do you feel about funding capacity building?

Mark: In journalism, work with two organizations in capacity building – youth organization – foster/nurture partnerships. The other example, Challenge Fund for Journalism – journalists

contribute to the fund. We put out a carrot and get the matching funds for new donors. Seems unlikely that we would fund technical assistance for groups we wouldn't already support.

Question: What sort of percentages do you support of overall budget?

Mark: Varies from program to program. Some foundations not comfortable being the number one funder and want the group to show that the organization is successful in getting groups on board. But in journalism, rules are changing and more funders getting comfortable with start-ups.

Have heard that percentage all across the board. But funders not comfortable being ahead of all other funders. If had to draw out support, organization could fall apart.

Molly: Anything more than 50%, we back away.

Question: How do you ask foundation to support basic needs (printing costs/rent)?

Mark: A lot of foundations focus on programs. It is a negative trend in philanthropy, but if asking for program funding, demand as much as can that admin and overhead be included. We need to be constantly educated by our grantees and have them let us know what their needs are.

Red Flags

Molly: If there is something that says there is an ongoing concern of deficiency, you really know about it and explain. And make sure program fits guidelines.

Mark: Don't be too malleable – organizations that say getting support above all other. Make sure there are things you'll say no to.

Word document track changes – Be careful to learn how to use track changes and make sure not to reveal too much.