



A New Approach

Introduction:

The Community Foundation, like many donors and grant makers, has a deep interest in deploying its resources to support transformational changes in our community, which often requires a significant investment of philanthropic capital. Yet we remain dedicated to meeting the needs of our nonprofit community for routine support of general operations, recurring programs, and capital projects. Our desire to accomplish both objectives has led to the development of a new approach to the old model of giving circles.

Imagine if we were to form a giving circle with fewer, more experienced and affluent donors rather than the traditional model comprised of dozens of newcomers to philanthropy. This form of giving circle would have the critical advantage of agility, as well as its ability to make transformational funding available. We recently introduced this new model, which we have named **Change Makers**, during our annual Community Grants ceremony on May 2.

Change Maker Participants: Who is a Change Maker? We are committed to the belief that philanthropy is not simply a financial transaction, but rather a strong partnership between individuals and organizations, each of whom are capable of contributing their unique assets to effect meaningful and lasting changes for our community. Therefore, within this initiative we consider as Change Makers our donors, our nonprofit community, and our community members who chose to participate.

Change Maker Donors: It has been our intent to launch Change Makers with approximately a half dozen local donors. The six who have already committed to participating have the combined capability of over \$250,000 in annual philanthropy. We have asked that our Change Maker donors have the ability and willingness to offer a five-figure commitment, at least \$25,000, in any given year for an initiative of great interest to them. We know that some donors may have the desire and capacity to participate in Change Makers indefinitely while others may have the opportunity to participate less frequently or only once. Additionally, we will continue to expand our list of Change Maker donors.

Change Maker Grantees: Any nonprofit organization that serves Greater Augusta County, including Staunton and Waynesboro, and the counties of Nelson and Highland, may become a Change Maker grantee. Multiple organizations may collaborate to pursue a Change Maker grant. Additionally, individual community members may submit ideas to the Change Makers program. If their idea is selected for a Change Maker grant, and those individuals have the wherewithal to organize action, they could carry out their charitable work under the fiscal sponsorship of the Community Foundation or another registered 501(c)(3) organization.

Change Maker Grants: Our Change Maker donors will ideally pool their resources and award grants of no less than \$100,000, and possibly as large as \$250,000 or greater, except for planning grants (see below). This will depend largely on the initiative, what resources are required to effect transformational change, and the number of Change Maker donors interested in offering their support.

Planning Grants: Change Maker grantees will have the option to request planning grants to support the development of new ideas for our community. Likewise, our Change Maker donors will have the option to recommend a planning grant if they feel that it would benefit a particular proposal. For example, a planning grant could be used to identify communities that have successfully addressed specific issues in different ways and bringing together representatives of those communities to learn from their experiences. This could then lead to a much more significant Change Maker commitment.

Supplemental Funding: The nature of Change Makers, and the community issues to be addressed, may also allow the Community Foundation or our grantees to leverage Change Maker commitments in order to secure large grants not previously available to our community from national foundations. Consequently, we could conceivably turn a \$250,000 Change Maker commitment into a \$500,000 opportunity for our community.

Change Makers Process:

1. Rather than beginning with a highly-detailed, lengthy proposal, we will borrow a practice from larger, national foundations and invite brief letters of inquiry, or simply a conversation, as the first step. As noted earlier, an inquiry could come from a single nonprofit organization, a collaboration of nonprofit organizations, or a group of citizens with an idea they would like for us to consider.
 - Deadlines: Knowing that good ideas can arise at any time, and often take much time to fully develop, there will be no deadlines for bringing ideas to the Change Makers program.
 - Although we have outlined here several steps, our intent is for this process to be highly conversational between all parties. By focusing the attention of Change

- Maker participants on working together to develop the best possible ideas, we can move beyond philanthropy as simply a financial transaction.
- A note on collaborations: There has been much talk about the importance of collaborations between nonprofit organizations. If a collaboration is needed for a particular Change Makers initiative, the Community Foundation stands ready to support that work through education on Collective Impact and the Foundation's ties to the Center for Nonprofit Excellence.
2. The Community Foundation staff will review each Change Makers inquiry and, where needed, secure additional information prior to the initial review by our Change Maker donors.
 3. Change Maker donors will each review the inquiries and indicate, first individually, if they personally have interest in learning more about a specific concept. They will then meet to discuss any inquiry of interest and decide on the next course of action, which will most likely begin with a meeting with the Change Maker applicant. At this point, individual Change Maker donors can opt in or out of continued conversation about a specific proposal. (Certain Change Maker donors may have highly-specific interests and expertise. Consequently, they may take a leading role in conversations regarding certain inquiries.)
 4. Depending on the level of interest amongst our donors, we will work with the Change Maker applicants to steadily develop a full proposal. Since the elements of each proposal will be unique to each situation, and also address specific questions or interests of our Change Maker donors, we will not initially use a web-based application process.
 5. Additionally, our Change Maker donors can also be the impetus of a transformational idea that we then pursue proactively in partnership with regional nonprofit organizations, agencies, etc.
 6. Knowing that talented people are often the foundation of the programs and services offered by the nonprofit community, proposals for Change Maker grants may certainly include funding for infrastructure. In response, though, we anticipate that our Change Maker donors will have interest in knowing how new, recurring expenses can be sustained well after a Change Makers grant is complete.

Change Makers Decision-Making:

1. Breaking from the traditional giving circle model, Change Maker donors will not engage in group voting on proposals that would bind each of them to a financial commitment. No donor will be obliged to support a proposal that is supported by other donors. Based on the merits of a proposal, the Change Maker donors interested in committing their support will have several options, such as:
 - a. Offering a personal commitment, or a joint commitment with other Change Maker donors. Payment of a commitment could be structured as a single grant, a multi-

- year commitment, and/or a series of installments scheduled around the Change Maker grantee's successful completion of specific steps within their initiative. We will be mindful that life-cycle issues often cannot be effectively addressed with traditional grant-cycle funding, so all possible commitment options will be available to our Change Maker donors.
- b. Negotiating a commitment "package" between Change Maker donors. A package could include funding from one or more donors immediately, with the potential for additional support later from other donors once an initiative has achieved certain benchmarks and/or earned the confidence of those donors. Again, there is no limit to the ways in which Change Maker donors can design a commitment package.
 - c. Defer any decision until other, unrelated proposals have been received and vetted.
 - d. Deny support. With the goal of making transformational grants, our Change Maker donors will not be bound by the orthodoxies that define traditional grant making. This includes retaining the right to support no proposal in any given year if no transformational ideas come forth from the community.
2. Transparency: It is our intent to make this process as transparent as possible. The level of active discussion that we anticipate between Change Maker applicants and donors will support this commitment.

Bottom Line: The ultimate objectives of the Change Makers program are to empower our community to think big and to enable donors to work together in support of the best ideas for transformational philanthropy.