

Best Staffing Practices Among American Corporate Foundations

March 6, 2014 presentation to the Polish Donors Forum
by Richard N. Aft, Ph.D., President, Philanthropic Leadership

American Corporate Foundations

- What defines them
- Involving employees/volunteers
- Their day-to-day work
- Principles they practice
- Important lessons they have learned

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- What defines them

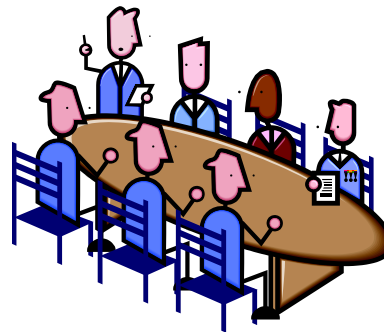
- Alternative structures – all may raise funds
 - » Endowed
 - » Company financed
 - » Hybrid
 - » Independent
- Legal requirements
- Different staffing arrangements
- Best practices
- How are they known?
 - » Company brand
 - » Foundation brand
 - » The work they do

- Composition of the Corporate Foundation Leadership Team

Objective for the team?

To do the work -or- To give the appearance

Ideally, the team will be DIVERSE enough to do both!



- **Best Practice EXAMPLE #1**

GE Foundation: 15 member Board

- 4 Paid Foundation officers
- 9 GE employees not paid by the GE Foundation
 - Sales person
 - 2 global management
 - GE Chief Financial Officer
 - Business development staff
 - Member of GE's legal staff
 - Government relations staff
 - 2 human resource staff
 - Communications staff
 - Investment officer

Foundation Focus: Education

- **Best Practice EXAMPLE #2**

First Tennessee Foundation: 19 team members

ALL First Tennessee Branch Bank Managers
as part of their job responsibilities

Foundation Focus: Customers' NGO Interests

- **Best Practice EXAMPLE #3**

Chicago Community Trust: 16 Executive Committee Members - None are paid.

- 2 retired energy company CEOs
- 2 CEOs of NGOs that cannot apply for grants
- Investment banker - Business consultant
- Architect - Charity consultant
- Internet company executive
- Strategic planning consultant
- Investment company owner
- University president not eligible to apply for grants
- 2 attorneys
- Food business owner
- Advertising company executive

Foundation Focus: Improved quality of life in the Chicago area

- Salaries of Foundation Staff

If staff members are paid, salaries are almost always paid out of the operating budget of the Foundation.

- » Some Foundations are administered by **volunteers**.
- » Some Foundations are administered by **part-time staff** members who have other paid job responsibilities in the company.
- » Many are administered by full-time **professionals** who have participated in the training programs of the Council on Foundations <http://www.cof.org/>

- Employee and/or volunteer involvement?

- EXAMPLE: NO INVOLVEMENT

Kellogg Foundation

Separate Board and Staff distribute grants
from a portion of corporate profits

- EXAMPLE: MODERATE INVOLVEMENT

Fifth Third Bank Foundation

Decide what to *recommend* for funding
Hands-on participation in projects

- EXAMPLE: MAJOR INVOLVEMENT

Procter & Gamble

Make contributions of time/money
Decide what to fund
Hands-on participation in projects

- Day-to-day work of Foundations

<u>Major responsibilities</u>	<u>Done by</u> *	<u>Compensation</u> **
a. Setting policies		
b. Administration		
c. Fund raising		
d. Reviewing applications		
e. Operating program services		
f. Evaluating impact		

*Paid staff/volunteers? Full-time/part-time?

**Money? Satisfaction? Promotion? Social Position?

- Principles Foundations practice
 - Listening to stakeholders
 - » Corporate officers
 - » Foundation board
 - » Partners
 - » Grant recipients
 - Transparency
 - » Who make the decisions
 - » Who benefits and how
 - » Source of income
 - » Areas of expense
 - » Operating costs
 - » Measureable results [good or bad]

- Important lessons Foundations have learned

- Value of focus
- Importance of measuring impact
- Benefits of collaboration/partnerships
- Value of celebrating achievements
 - » To the company
 - » To the community
 - » To those who benefit from programs
 - » To the foundation itself
 - » To the foundation team