

Putting Your Case To The Family Foundation*

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A Brief History

The Jackman Foundation was created in 1964 by my late father, Henry Jackman. At that time, the foundation was considered a nest egg for the future and, while it had a small board of trustees, its grants were largely determined by the founder. It was much smaller than it is today. Grants of a few hundred dollars were common; of a few thousand, quite rare.

In time, further infusions of capital were made, the most recent being those after my father's death in 1979. The published asset value of the foundation was approximately eight million dollars in 1983. After my father's death, my mother, Mary Jackman, became chairman and in 1983, I took over this responsibility.

Today, the foundation is classified legally as a "charitable foundation", i.e., a foundation which distributes funds to be used by other registered charities for charitable purposes. It is further defined as a "private", as opposed to "public" foundation, because of the source of the funding and the composition of the board of trustees, all of whom are family members.

As a private foundation, we must give away 4.5 per cent of our asset base each year. We can give more, but not less. In practice, we frequently give more. In the year 1984, the foundation made grants exceeding one million dollars.

My purpose in writing this paper is to suggest to both professional and volunteer fund raisers the most effective ways of approaching a foundation such as ours for financial support.

Selecting the Target

First, be prepared for a polite, but firm refusal. Foundations receive many requests. There are more than 49,000 charitable agencies in Canada and we receive just under 1,000 requests a year, or approximately two or three every day. Each year we receive more requests and the competition for foundation dollars grows keener. Three quarters of the requests do not receive funding. We place no restrictions, however, on applications, except that they be made on behalf of Canadian organizations with charitable registration numbers.

While the Jackman Foundation accepts all applications it receives we do emphasize the traditional and historic basis for charity, i.e., religion, education and the relief of poverty. Two years ago, in order to bring some order to the

* This article was developed from Dr. Jackman's presentation to the Canadian Society of Fund Raising Executives on May 15, 1985 in Toronto.

mounting number of requests we grouped them into seven categories:

- 1) Canadian Culture & Heritage
- 2) Education
- 3) Health and Medicine
- 4) Religion
- 5) Sport and Achievement (Character Building)
- 6) Welfare and Social Services
- 7) Miscellaneous

Over the past few years, the foundation has consistently given most to religion and education, in that order. Gifts to other categories, in descending order of size were: Canadian Culture and Heritage, Welfare and Social Services, Health and Medicine, Sport and Achievement.

You must have, and be guided by, information such as this if your proposal is to be directed to foundations where it has some hope of success.

Granting Procedures

How does the foundation decide to approve one grant application and not another and how does it decide how much to donate?

To process nearly 1,000 applications each year, the foundation retains two very competent, part-time trustee officers at the National Victoria & Grey Trust Company. Grant applications are forwarded to National V. & G. where an application summary is prepared and the application and supporting documents are made ready for review by trustees. About one month before a Donations Committee meeting, of which there are usually four each year, the summaries for that quarter, as well as any held over from a prior quarter, are distributed to the five family trustees. After initial review of the summaries, trustees may examine the application's back-up documents, and are encouraged to do so. Some trustees may make a site visit, solicit additional information and seek the opinion of experts before deciding whether or not to recommend an agency's application. At the Donations Committee meeting, all applications are reviewed. It is the responsibility of a trustee to respond to those applications which he or she may wish to support.

In those instances in which several trustees are in strong support of a submission, the amount of support may be substantial. In other instances, an application may be considered marginal by two trustees, in which case, it will most likely receive a small grant, or be held over so additional information may be obtained. Any trustee may request that any grant application be held over and trustees frequently do so. In addition, trustees may initiate projects which they believe are desirable for the public good (educational programs, scholarships), or provide start-up funds for emerging areas such as the Palliative Care Foundation or the Metropolitan Toronto Community Foundation.

Grants vary in size from \$1,000 to \$50,000. Grants over \$50,000 are quite rare although we did approve a \$100,000-plus seed grant during 1984, to the new

Metropolitan Toronto Community Foundation. Grants in the \$1,000 to \$2,000 range are more numerous.

Our foundation tends not to give to the same charities in succeeding years. There is a concern about creating a dependency in the recipient with the foundation becoming a “line item” in the annual revenue ledger of the charitable agency. Nevertheless there are a few organizations that do indeed receive annual grants: organizations such as Metropolitan United Church which members of the family have attended, some since the turn of the century.

Parenthetically, I might mention that the foundation is receiving more requests than previously for multi-year grants, i.e., grants for three to five years. In general, trustees do not like to commit too far into the future. The reason is quite simple: to do so limits the amount of money available in future years for new requests. For this reason, commitments which reduce future flexibility are rarely made. It is almost inevitable that when the foundation does commit to future years, in two or three years time, the trustees are regretting that the money available for new projects is so reduced. To meet this situation, the trustees of some foundations sometimes elect to make grants from capital funds. This, of course, erodes the asset base of the foundation and, should they continue this practice, the “gifting power” of the foundation will be reduced.

Making an Effective Case: First Steps

There are really only two main things to do when you are seeking a grant from a foundation like ours. The first is to prepare an excellent and appropriate application and the second is to impress on the trustees the importance of your client’s case.

A good application should cover who, what, why, where, when, how, how much and what proportion of the “how much” is expected from the particular foundation. Include a budget, auditor’s report, a history of past accomplishments and anything else you think will represent your charity in a favourable light. Names of officers, board members and others who support your cause, can be included. An example of how well-known names can help: at the recent 25th Anniversary Cystic Fibrosis Dinner, the presence of the Honorary Chairwoman, Mila Mulrone, her husband, the Prime Minister of Canada, his Minister of Finance, the Speaker of the House of Commons, the Lieutenant Governor of Ontario, Chief Justice Dickson, Metro Toronto Chairman Dennis Flynn and other prominent people, made an impressive head table. I suspect Ian Thompson, President, and Cathleen Morrison, Executive Director, of the charity will now be able to command considerably more attention for their campaign because of the visible endorsement of so many respected community leaders.

Of course, your Advisory Board does not have to read like *Who’s Who*, but well-known supporters do serve to reinforce the credibility of your organization and your cause. Donors are usually curious to know who else is giving help, who is being approached and who has already committed funds or made donations.

Making an Effective Case: Impressing the Trustees

What makes an application stand out? How do you impress on the foundation's trustees the urgency of your need? Quite frankly, I don't have an answer. I can, however, offer suggestions from my own experience. For example, the Jackman Foundation looks favourably on requests from many of the traditional bulwarks of our society: hospitals, churches and major educational and cultural institutions such as Toronto General Hospital, The Hospital for Sick Children, Roman Catholic and Protestant churches, the University of Toronto, the Canadian Opera Company and the Royal Ontario Museum.

We also consider hundreds of applications from smaller institutions, but are wary of funding campaigns for building programs or for "reducing deficits". The former have not usually developed far enough and the latter have gone too far. We give to the small as well as the large: the Art Gallery of Ontario and the Cabbagetown Community Art Centre; the United Way and the Friends of Shopping Bag Ladies; the Salvation Army's Grace Hospital and the Northwest Territories Mental Health Association. We do not usually give to causes that have, or can obtain, strong commercial backing. We also like to give to causes where our donations will have the greatest secondary benefits. About one out of every four applications received a favourable response during 1984.

In general, the chance of success is increased if particular attention is paid to the beginning and end of a fund-raising drive.

First, at the start, an Executive Summary—no more than one page—should be sent to trustees and officers of the foundation at their home or business addresses, or failing that, to the foundation office with "Please Forward" on the envelope. Send the summary with a brief note indicating that supplementary information is already at the foundation office. Keep it concise. Trustees are usually volunteers who have other jobs. One foundation requires that all applications be submitted in sextuplet so that each trustee has his or her own copy. The object of these personal mailings is to focus the trustees' attention on your project.

At the end of a drive, whether you received a grant or not, do let the foundation know what happened. If you received a grant, let them know what happened to it. Did it accomplish its objectives? Where did it leave the organization? Does the organization need more assistance?

Too often, a foundation receives only a "thank you" letter or a tax receipt from its beneficiaries. The follow-up is left to the foundation. An Executive Summary progress report, or reports, to each trustee would be ideal. Above all, remember that fund raising is a continuous process. Be as ingratiating and informative in your farewells as you were in your greetings. You will, I believe, be well-remembered.