

LEADERSHIP SERIES

# FRAMEWORKS FOR PRIVATE FOUNDATIONS

A New Model for Impact

by  
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This paper was written by Melissa Berman, Rockefeller Philanthropy Advisors, and Dara Major, independent consultant, who synthesized the research of the Theory of the Foundation initiative and conducted additional interviews to unpack and illustrate core concepts.

This paper is based on an original series of Theory of the Foundation white papers by Melissa Berman and informed by additional contributions from Jason Franklin, Dorothy A. Johnson Center for Philanthropy at Grand Valley State University.

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# About This Paper

## WHY THIS PAPER?

Rockefeller Philanthropy Advisors (RPA) developed the Theory of the Foundation framework to stimulate discussion of foundations as organizations at a time when philanthropy is changing and evolving more quickly than ever, with new societal challenges, new players, and new strategies. The inspiration was iconic management expert Peter F. Drucker, who, over 20 years ago, called on organizational leaders to develop a “theory of the business” by considering three fundamental sets of assumptions: environment, mission, and core competencies. For a theory to be valid, Drucker argued, its assumptions must be valid, congruent, widely understood, and regularly assessed. RPA's key insight was that the absence of such a theory in philanthropy leads to blind spots and underperformance at both the organizational and sector levels. To address this, over several years and with dozens of foundation partners, RPA developed the Theory of the Foundation. RPA's approach does not aim to develop one theory for all foundations but instead to create a framework that enables an individual foundation to surface its underlying core beliefs and align its purpose and operations in pursuit of public benefit.

## HOW CAN I USE THIS AS A RESOURCE?

This resource provides clear, practical guidance for funders looking to examine their organizational structures and strategize about their capacities and operations through discussion questions, action steps, and lessons from peers. It is intended to provide an accessible and actionable introduction of RPA's Theory of the Foundation to a global funder audience.

## WHERE CAN I LEARN MORE?

To learn more about the Theory of the Foundation initiative and key foundation partners, as well as to access RPA's full complement of publications and tools on this topic, please visit [TheoryoftheFoundation.org](https://www.theoryofthefoundation.org). For more information, contact [info@rockpa.org](mailto:info@rockpa.org).

GrantCraft, a service of Foundation Center, offers resources to help funders be more strategic about their work, and has published this paper as part of its leadership collection to encourage a conversation about this topic. Explore GrantCraft's resources at [grantcraft.org](https://www.grantcraft.org) and on Twitter by following [@grantcraft](https://twitter.com/grantcraft). Other services and tools that Foundation Center offers can be accessed at [foundationcenter.org](https://www.foundationcenter.org).

## WHO ARE THE AUTHORS?

GrantCraft developed this paper in partnership with RPA. Based on two reports for Theory of the Foundation initiative funders written by Melissa Berman, president of RPA, this paper updates and expands on the original research. For this paper, we synthesized and drew substantially from initiative publications and tools, reviewed additional organizational theory literature, and conducted 10 original interviews with a diverse set of funders in the United States and Europe. The paper also draws on extensive interviews, symposia, and literature reviews conducted independently by RPA in two phases, engaging foundation leaders in Europe and the US. Dozens of foundations provided financial support, ideas, and analysis that have informed all aspects of this work. Additional research was conducted in partnership with the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University and with the Marshall Institute for Philanthropy and Social Entrepreneurship at the London School of Economics, and by Dara Major, who conducted original interviews with funders for this paper.

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# Introduction to the Theory of the Foundation Framework

**Philanthropy is changing and evolving more quickly than ever, with new societal challenges, new players, and new strategies. In this time of change, questions of how foundations can optimize their effectiveness for the public good are increasingly urgent—and the ability to self-reflect or even be introspective on an organizational level is critical.**

The Theory of the Foundation offers a framework for introspection that enables foundations to address urgent questions, explore fundamental beliefs or implicit assumptions about their work, and more effectively align foundation purpose, public benefit, and action. And, while theory gives us a way to think, this paper offers pragmatic ways to use the framework to inform everyday practice.

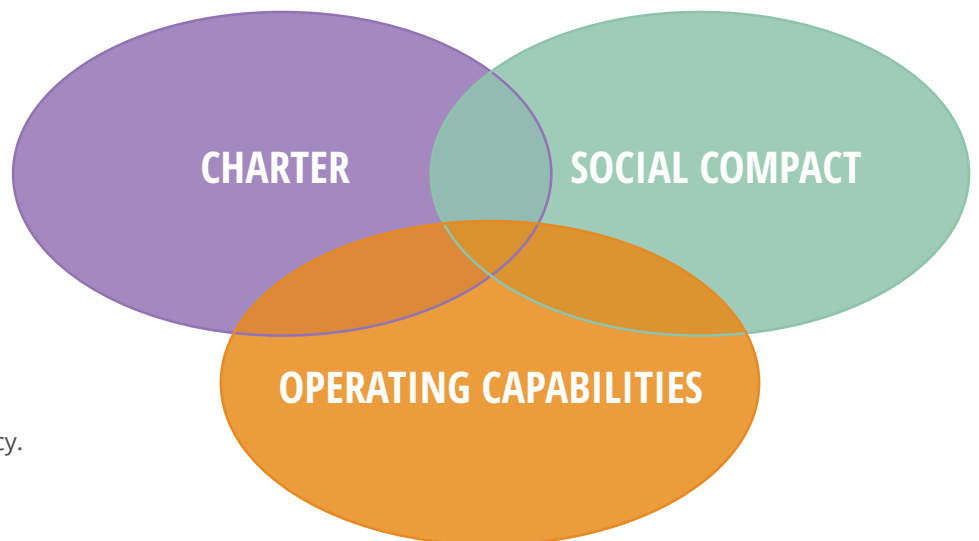
Fundamentally, the Theory of the Foundation framework is composed of three core elements—charter, social compact, and operating capabilities—that together inform a foundation’s structure and approach.

**Charter:** The charter is a foundation’s scope, form of governance, and decision-making protocol at the highest level, and the precursor to mission. Charter encompasses origin stories, board composition, where and how decisions are made, values, issue focus, and culture. It has both written and unwritten elements.

**Social Compact:** Social compact is a foundation’s reciprocal agreement, either implicit or explicit, with society and key stakeholders about the specific value it will create. It underpins how the foundation defines its legitimacy and license to operate, and the actions considered “appropriate” to undertake. Social compact encompasses partner relationships, external accountabilities, relationship to society and government, and transparency.

**Operating Capabilities:** These are the dominant approaches that guide how a foundation carries out its work and the core competencies, resources, skills, and processes that it cultivates in order to achieve results. Operating capabilities encompass financial and non-financial assets, talent and knowledge development, internal and external collaboration, and organizational structure.

Rockefeller Philanthropy Advisors (RPA) embarked on a multiyear program of collaborative research with dozens of funders in the United States and Europe to uncover and distill these elements into a conceptual framework—a Theory of the Foundation—to help private foundations align resources more effectively for the impact they envision. In this GrantCraft paper, we’re laying out this important research to help funders of all kinds to reflect on foundation theory and strengthen philanthropic practice.



As in any line of work, it is important to periodically pause and reflect on why and how we do what we do. For example, the long-tenured chief administrator of a top-rated hospital might be working purposefully toward a clear mission, yet make a point to routinely consider the hospital's underlying theory: why it exists, how it relates to its customers and partners, and what it can do organizationally to enable continual advances in medicine and deliver the best possible care. Similarly, funders who pause to reflect on the theories that shape their foundations will be better able to focus their work and deliver the best possible results.

***“It’s an unnatural act to work across silos. It requires constant attention, reinforcement of behavioral norms, and intentionality about the culture we try to build.”***

*Will Miller, The Wallace Foundation*

While other GrantCraft resources focus on a particular aspect of or approach to grantmaking, this paper addresses the underlying framework of organizational dynamics that shape them. It is particularly intended for use by leaders of private, endowed foundations. However, it will also serve as a useful reflection tool for leaders of community, public, and corporate foundations, though different dynamics come into play for different foundation types.

## NEW OPERATING CONTEXTS

When the earliest foundations formed over 100 years ago, the external operating landscape was remarkably different. There were few well-established nonprofit organizations to work with, and fewer still that had the capacity to operate or even collaborate at scale. For foundations looking to have an impact in a specific area, the first step was often to hire, design, and then create the capacity needed to execute—a process that could take years.

For instance, to address global inequities that led to food shortages and the prospect of mass starvation, the Rockefeller and Ford foundations and other partners first

built, one by one, new research institutions in resource-scarce countries—and then, over a period of 60 years, funded basic and applied agricultural research across this network. Although some of this work had unintended negative environmental consequences, their efforts resulted in extraordinary increases in crop yields and a global science, production, and distribution ecosystem that saved the lives of at least a billion people around the world.

Today's foundations face different starting points, challenges, and opportunities. Knowledge, capacity, and resources are fragmented rather than concentrated as over 100,000 U.S. foundations and 1.5 million nonprofits now work across a highly developed, multi-sector constellation of institutions, fields, and networks. Collaboration at scale has become both possible, given this rich supply of external capacity, and increasingly feasible, as our collective imagination and adaptive capacity begin to catch up to game-changing advances in technology. At the same time, inequality and a loss of trust in major societal institutions are on the rise globally, while humanitarian crises and a strained public sector raise questions about the purpose and role of foundations.

Though many foundations remain structured according to the operating realities of the past, foundation leaders are increasingly questioning their future as sectoral boundaries blur. Newer philanthropic approaches—such as community-based decision making, capital aggregation, and major grantmaking through philanthropic spend-downs—are challenging philanthropic norms and talent-sourcing, investment, and centralized decision-making models. The private sector is making significant “double bottom-line” investments in social solutions (and exerting a growing influence on agenda setting for the common good) while foundations begin to imagine what investing 100 percent of their assets for social return and impact might look like. For example, as foundations respond to changing dynamics,



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Check out GrantCraft's Funding Innovation [blog series](#), produced in partnership with Glasspockets and the Vodafone Foundation, which explores new funding practices and philanthropic trends at the intersection of problem solving, technology, and design.

many are seeking to create new value by integrating current foundation capabilities across programs and functions, including knowledge management and communications. Yet as Wallace Foundation president Will Miller notes, “It’s an unnatural act to work across silos. It requires constant attention, reinforcement of behavioral norms, and intentionality about the culture we try to build.” This integration function is increasingly being staffed, at the senior leadership team level, with talent from other industries, such as finance, consulting, and general management.

In all sectors, traditional, mechanistic organization and management forms are beginning to shift to more organic, network-based approaches. These shifts are prompting many foundation leaders to actively re-examine traditional or long-held philanthropic assumptions, frameworks, and models and cultures to ensure that today’s foundations deliver results that are greater than just the sum of their grants.

This level of introspection requires a deep awareness and shared understanding of the critical elements that underpin the foundation—how it makes decisions (charter), how it sees itself interacting with others (social compact), and how it chooses to deploy resources (operating capabilities)—and ensures that people inside the foundation are aligned around a common understanding. This common understanding is key to a foundation’s culture and is a powerful motivator and enabler of essential behaviors. Ford Foundation president Darren Walker notes, “The Theory of the Foundation is an exciting idea and an important framework for bringing more rigor and a depth of analysis to understanding philanthropy’s role.”



### Why take a fresh look at your foundation’s theory?

[Click here](#) to hear more from the authors on the external landscape changes that are prompting many foundation leaders to actively re-examine traditional or long-held philanthropic assumptions, frameworks, and models—and how the Theory of the Foundation can help to ensure that today’s foundations deliver results that are greater than just the sum of their grants.

## A NEW FRAMEWORK FOR REFLECTION

As foundations evolve the ways in which they reflect and make decisions, there’s a rich body of knowledge to draw from, grounded in other sectors and in the wider world of organizational theory. With over 100 years of philanthropic practice to reference, there are also critical lessons to be learned from within philanthropy.

***“We’re not just responsible to the people that gave us those resources to begin with; we must also consider the kind of change we’re trying to effect, and how we involve the very people who are going to be affected by every move we make.”***

*Katy Love, Wikimedia Foundation*

RPA was inspired to develop the Theory of the Foundation after reflecting on Peter Drucker’s seminal work on the “theory of the business”—which called upon business leaders to regularly assess and adjust their business models and fundamental beliefs or assumptions in response to changing conditions. These theories and models have, at different times and to varying degrees, influenced philanthropic practice. Compelling as they are, however,



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Read and use Lucy Bernholz’s [Blueprint series](#)—an overview of the current philanthropic landscape, major trends, and horizons where you can expect some important breakthroughs each year—to open conversations about the context for your work and expanding your strategic framework.

they don't capture the distinct nature of a foundation, whose mission goes beyond its own performance to reach a broader public. Foundations demand more than just adaptation from other sectors; to fully realize their potential, they demand distinct consideration.

The Theory of the Foundation framework and related tools will be useful for funders of all kinds and at all levels of leadership. They are particularly intended for use by leaders of private, endowed foundations to strengthen decision making and resource allocation—individually, with their boards and staff, and collaboratively, with foundations and other partners.

Leaders of community, public, and corporate foundations can use the framework to consider their approaches, even as different dynamics come into play for funders that are connected to a corporation or actively raise funds.

We hope the framework and tools presented here encourage funders in start-up and well-established foundations alike to reflect on their work and to envision and implement more effective strategies for the 21st century.



### GrantCraft Connection

What can we learn from grantmaking practices and new operating realities in the public sector? Read the Leadership Series paper, [Innovations in Open Grantmaking](#), produced in partnership with the GovLab, which seeks to provide inspiration and early proof of concept regarding innovative practices at every stage of the grantmaking process within various U.S. government agencies.

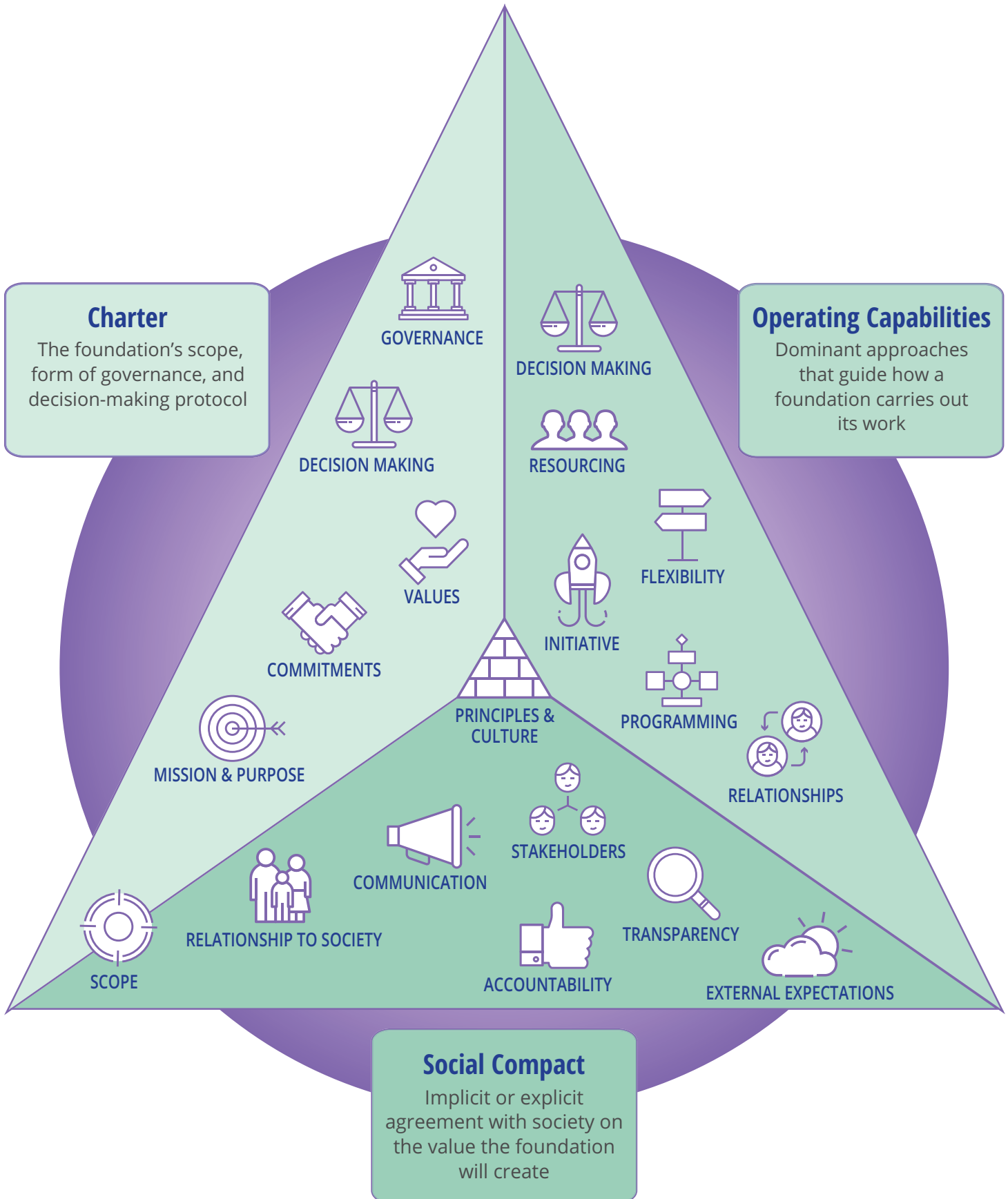
### Questions to Consider

- Reflect on a foundation that was established before you were born. What are its notable characteristics?
- Think next about a foundation just starting up today. What do you think would be different about it? Why?
- To what extent, if any, is your foundation's current approach rooted in the experiences or operating environment of its past?





# Core Framework



# Charter

## A foundation's charter answers the question: What is a foundation's form of governance, how will it make decisions—and why?

A charter defines and describes a foundation's scope, form of governance, and decision-making protocol at the highest level. The charter is the precursor to mission, and shapes and is informed by the organization's culture. It is a mix of formal, written elements (such as founding documents, statements of intent, and legacy letters) and informal, less tangible ones (such as culture, style, and tradition), and may encompass what is explicit from the founder as well as the commitments and choices of subsequent stewards (including boards, CEOs, and senior leadership). A charter may be fairly open and flexible, or heavily prescribed.

Philanthropy typically distinguishes private foundations by whether they are family or independent, implicitly recognizing that governance and the role of the donor or their descendants play a major role in the structure of a foundation; in the Theory of the Foundation, these differences are considered central.

Origin stories are typically the basis of a foundation's charter and act as a reference point and a source of inspiration. For example, Rasmuson Foundation was founded by missionaries of the Swedish Covenant Church. Jenny Olson and E.A. Rasmuson came to the small Tlingit Indian village of Yakutat, Alaska separately, met, and married. Later, the couple took on the leadership of a struggling local bank, which became a force for progress as Alaska's largest statewide financial institution. Today, this family foundation, established in 1955, continues to honor its founders' commitment to Alaska's future through programs related to quality health care, economic opportunity, vibrant arts, and educational opportunity.

Origin stories such as this one often have an enduring power over a foundation; even when the donor's intent is broad and the legal obligations are few, a foundation's origin continues to shape practice throughout a foundation's life cycle.

Subsequent stewards may revamp a foundation's charter based on what they observe; others may view a foundation's formal, written charter as a mandate to honor forever. For some foundations, the charter captures what the donor is committed to, which may change over time. It may describe areas of activity (such as the arts, Cleveland, or children) or a set of cultural values (such as a commitment to excellence or to the Alaskan outdoors). It may address traditional elements of mission, communicating intention and direction, but may also go beyond that to describe the foundation's values and culture.

The elements of the charter, from written founding documents to unwritten culture or style, define how a foundation makes fundamental decisions—and, perhaps more importantly what decisions it cannot make. For instance, Rasmuson Foundation's charter and unwritten culture guide its fundamental decisions. The foundation was started by a family with a desire to create a vibrant economy to support Alaska's families. They chose to invest heavily in the development of Alaska's natural resources; for this reason, subsequent stewards may be reluctant to invest in certain environmental advocacy that would limit economic opportunities for Alaskans.

At any given moment in a foundation's life cycle, a foundation's charter will be at some point along a continuum that reflects the relative influence and control of the foundation's founding donor(s). Some foundations may stay firmly at one point along this continuum permanently, while others may shift positions on this continuum over time.



### GrantCraft Connection

Read this [blog post](#) about how the Weissberg Foundation used an unconventional method to help articulate and come to a consensus around their core values.

## CHARTER CONTINUUM

Donor-led

Stewarded

Connected

Open

**DONOR-LED:** A living donor(s) sets mission, priorities, allocation of resources, and forms of engagement; living donors are actively engaged in leading the foundation and these components may change as the thinking of the donor(s) evolves. Some examples include the Bill & Melinda Gates Foundation, the Gordon and Betty Moore Foundation, the Simons Foundation, and the Oak Foundation.

For donor-led foundations, the charter serves as a blueprint for successive generations to follow. Laura Arrillaga-Andreessen, founder and president of Laura Arrillaga-Andreessen Foundation, notes: “The more narrow, evolved, and specific the founding mission, strategy, grantmaking, and operating principles are, the greater the chance the donor intent will be honored. It’s not going to be honored if nobody knows what it is.”

The charter can also serve as an important guide for other types of foundations. For example, community and company-sponsored foundations have their own charters—and also work with a range of individual, family, and corporate donors to establish endowments or contribute funds. Jarrett Lucas, executive director of Stonewall Community Foundation, reflects on the foundation’s charter in this way: “Stonewall was founded as response to the tragedy of the AIDS epidemic in the late 1980s, to create a space where our donors could turn loss into legacy. Our founding ethos remains: being responsive, imagining alternatives to loss, fostering a culture of philanthropy among LGBTQ people. Most donors to Stonewall are of the community that we serve, which really sets us apart.” Conversely, Newman’s Own, Inc., a food and beverage company, and its sole owner, Newman’s Own Foundation, carry on Paul Newman’s commitment to use all the money it receives from product sales for charitable purposes. Bob Forrester, president and chief executive officer of Newman’s Own Foundation, notes, “While our charter creates an unusual kind of tension within the organization, it’s a constructive tension because we need to go out and earn our money every day like any other business in a competitive environment.”

**STEWARDED:** Though the donor(s) no longer lives or is no longer involved with the foundation, the donor’s decisions and intentions continue to shape the foundation’s mission, program areas, and approach. This can happen in formal, legally binding ways through governing documents, or informally through custom and culture. Subsequent boards

and leaders operate within the founder’s framework, again by law or through a powerful tradition. They see themselves as stewards and guardians of the founder-determined foundation. Some examples include Margaret A. Cargill Philanthropies, Robert Bosch Stiftung, Robert Wood Johnson Foundation, and The California Wellness Foundation, a health-conversion foundation.

**CONNECTED:** The successors—whether family members or not—of the founder(s) are not tightly constrained by the founder’s vision or priorities, but to varying degrees they still look to the founder(s) vision, preferences, and approach to inform their decisions. This may have happened intentionally with a shift from donor-led to connected, or gradually over time from a stewarded to a less donor-oriented connected style. Trustees of a foundation with a connected charter see themselves as interpreters of tradition whose continuity is important, but whose expression (in terms of issue area, approach, involvement, and other factors) can evolve. Some examples include Surdna Foundation, The Wallace Foundation, and The Annie E. Casey Foundation.

For example, at the W.K. Kellogg Foundation, program officer Arelis Diaz notes that, “Our founder, Will Keith Kellogg, is still a really large part of our DNA and his legacy and values are still embedded in our foundation’s thinking. That definitely is something we remain very much connected to, at the staff and board levels. Mr. Kellogg is quoted quite often; his insight still drives our theory of change and our frameworks for action. We focus on racial equity, community engagement, and leadership—issues that are still very much aligned to his original purpose.” Generations later, the foundation continues to look to and interpret the founder’s vision.

**OPEN:** Board members are empowered to select the foundation’s areas of activity and types of engagements based on their collective assessments of external forces and the foundation’s capacity. Their decision making is not constrained by how the founder might have reacted, nor do they to adhere to a traditional area of work for the sake of continuity. They may view that tradition as a strategic advantage that should not be readily abandoned, but that decision reflects an objective assessment of a resource, not a legally required or value-based loyalty to the past. Examples include Fondazione CRT, Ford Foundation, The Rockefeller Foundation, and William and Flora Hewlett Foundation.



## Click Here for More...

from [Arelis Diaz](#), program officer, W.K. Kellogg Foundation, on how the foundation's charter serves as its "source code" today.

The distinctions above may be in the eye of the beholder and, in individual foundations, frequently evolve—yet there are meaningful differences in the scope of decision making at each point in the continuum, as foundations approach and use their charters differently.

For those with living donors and/or heavily prescribed "donor-led" charters, all key decisions must be aligned with the charter; for those with flexible charters that are only loosely connected to a founder, a check of general principles will likely suffice. Foundations in the middle of this continuum will often have more flexibility to chart their own course within a broader range of discretion, and the charter therefore serves as a guide to orient the foundation's direction.

At Fondazione CRT, secretary general Massimo Lapucci notes, "We have a clear charter: we are a foundation of banking origin whose purpose is the growth and development of the territory, also in an international dimension. We aim to make our excellence and best

practices known in Europe and around the world, and conversely to attract new design and economic resources from abroad. We have a courageous vision of philanthropy, which adds to the traditional and more recent granting approaches, including impact investing and venture philanthropy, to generate virtuous streams in terms of sustainability, impact, and results."

A foundation that seeks to increase its effectiveness in today's changing environment is well served by taking the time to reflect on and discuss its charter—both among staff and with the board—to clarify constraints on decision making and potential points of organizational change. A clear and shared understanding of a foundation's charter can help to ground its past decisions and results, lead to more effective and focused planning and external communication, and illuminate future directions.



### GrantCraft Connection

Read how the Andrea & Charles Bronfman Philanthropies' [decision to spend down](#) intentionally gave the next generation of family philanthropists the freedom to pursue their own visions and approaches to effect positive change.

## Questions to Consider

- What is the story behind your foundation's origin? How does that origin story come into play today?
- What, if any, influence does the vision of your founding donor(s) have on the foundation today? When, how often, and why do your foundation's current leaders look to the founders?
- What kind of charter does your foundation have: clear and explicit, or vague and ambiguous?
- How was your foundation initially governed? If it has changed over time, how and why has it changed?
- What are your foundation's values, cultural norms, mores, and practices?
- How do past and current norms influence what, where, and how you fund today?



# Social Compact

**A foundation's social compact answers the question: To whom is a foundation accountable, and how is it making a difference with the special legal status it has been given?**

A social compact is a foundation's reciprocal agreement, either implicit or explicit, with society and key stakeholders about the specific value it will create. A defining characteristic of most endowed foundations is the extraordinary freedom they have to define their own accountabilities, beyond baseline accountabilities to regulators and boards. The social compact articulates how a foundation defines its license to operate, the value it creates, and the relationship it has with its stakeholders. It is the source of the foundation's legitimacy in the ethical sense.

***“One of the typical tensions we manage is how ‘political’ and visible the assertion of our own advocacy for mission should be, versus quietly supporting the grantees. On risk, my philosophy is that every foundation should try to do one thing each year that feels scary.”***

*Robert Ross, The California Endowment*

Social compact encompasses a foundation's external accountabilities, relationship to society, and conception of what it considers appropriate to do beyond the minimum required by legal and regulatory frameworks. The cultural legacy of the foundation plays an important role in how the foundation sees itself. The social compact influences how the foundation defines beneficiaries and interacts with a broad range of stakeholders, including grantees, communities, the media, the philanthropic sector, and/or the general public, and its commitment to transparency—as well as the foundation's overall approach to

understanding and communicating meaningful results. There is often a symbiotic relationship between a foundation's charter and its social compact. For example, a corporate foundation may define its social compact in alignment with how its firm defines its customers, and a family foundation may define its social compact in relation to its charter, prioritizing the family tree that connects to its founder.

Foundations with donor-led or stewarded charters may be less likely to consider changes to their social compacts. Foundations with open charters have the flexibility to update or redefine their social compacts as needed; for example, the Ford Foundation is currently reimagining its social compact with grantees. According to program officer Chris Cardona, “We are forging a different kind of social compact, based on systematic use of feedback loops: listening to grantees, reflecting, learning, changing resource allocations, and then sharing that back out with the field. This has gone hand in hand with a refined programmatic focus.”

Foundations are institutions of both private action and public good. Governments routinely question the legitimacy of private foundation support to organizations and issues that may be at odds with their policies. When normative societal values and public policy objectives are debated in the United States and Europe, foundations are often pressured to demonstrate value and justify their unique legal status. A related challenge is the closing of civil society, as perceived security threats and a declining respect for civil rights and the rule of law empower governments around the world to restrict basic freedoms.



## GrantCraft Connection

Does your foundation have glass pockets?

Take this [transparency assessment](#) and use it as a road map to discuss and implement other transparency practices at your foundation.

In the midst of these challenges, foundations have enormous freedom to define and defend their social compacts. Robert Ross, president and chief executive officer of The California Endowment, notes, “We are accountable to the communities covered by our mission, primarily. Of course, we have the IRS and attorney general to whom we are responsible as well. We believe in spending the reputational and political capital of the foundation in pursuit of key objectives, but we try to do this thoughtfully, selectively, surgically.”

Embedded in all foundation social compacts, regardless of how they are defined, is an approach to risk: what type and level of risk is considered acceptable, or necessary? And, how will risk be defined and managed? Examination of a foundation’s social compact can provide important insight, particularly for foundations that struggle to define their approach to risk and articulate when and why they are willing to take risks.

Foundations often wrestle with whether and how to engage in public discourse about and with the communities and programs they support—while at the same time many wish to project a neutral or ideology-free stance. Ross continues, “We have conversations among our executive team and in our boardroom about the matter of risk on a pretty regular basis. One of the typical tensions we manage is how ‘political’ and visible the assertion of our own advocacy for mission should be, versus quietly supporting the grantees. On risk, my philosophy is that every foundation should try to do one thing each year that feels scary. Most of the time, my team and I are pushing the board, but sometimes the board pushes us about thinking differently. It’s a good healthy balance.” As this example illustrates, a clear social compact commitment can help to orient all aspects of a foundation’s work and frame important conversations about resource allocation.

Stonewall Community Foundation, a public foundation, considers risk in the context of its social compact and a sense of mutual accountability with the LGBTQ community and its donors, notes Jarrett Lucas: “Public foundations organize communities—of donors, stakeholders groups, grantees—which strengthens the work and, along the way, helps to mitigate risk: we don’t get out in front of our donors and community members; we move together.” In this instance, the threshold for risk for the foundation is

determined by the stakeholder communities’ threshold for risk. For endowed foundations, such as the W.K. Kellogg Foundation, risk is often considered in light of the founder’s vision and appetite for change. As Diaz notes, “The issues we focus on and our frameworks for action are still very much aligned to our founder’s original purpose.”

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***“We are forging a different kind of social compact, based on systematic use of feedback loops: listening to grantees, reflecting, learning, changing resource allocations, and then sharing that back out with the field.”***

*Chris Cardona, Ford Foundation*

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A social compact commitment can also be defined according to fundamental principles of transparency and community engagement, which for many funders are entwined. A foundation’s social compact informs its overall approach to transparency and the information it chooses to share, such as goals and strategies, grantmaking processes, lessons learned, and failures; it also influences the foundation’s approach to inclusion, mutual support, and collaboration. The Wikimedia Foundation’s director of resources, Katy Love, notes, “All funders should consider how they can involve the communities they’re attempting to serve in their grantmaking and in all of their work. Participatory grantmaking is an important contribution to philanthropic practice that can significantly strengthen grantmaking results. For us, it is fundamental to everything we do and comes right out of our charter and social compact with our community of users.”



### **GrantCraft Connection**

Check out this [blog post](#) from RSF Social Finance and the Wikimedia Foundation on why every funder should consider participatory grantmaking.

Similarly, NoVo Foundation—a social justice-oriented family foundation with a deep commitment to addressing the structural barriers that perpetuate inequality—held a year-long listening tour to engage and invite ideas from local communities on what is needed to advance the movement for girls and young women of color in the United States. In these examples, both foundations are guided by their social compacts to put community voice at the center of decision making.



### Click Here to Hear More...

on foundation transparency and accountability in the U.S. and Europe from Rien van Gendt, board member of Rockefeller Philanthropy Advisors (and former CEO of the Van Leer Group Foundations).

A foundation that seeks to sharpen its focus or broaden its impact is well served by taking the time to understand and discuss its social compact. A clear and shared understanding of its social compact can help a foundation to more effectively make decisions, prioritize and align resources, and ensure its resources are impacting its intended beneficiaries.



### GrantCraft Connection

Read this [blog post](#) from the David Bohnett Foundation about how important it is for foundations to really immerse themselves in the communities they serve.

## Questions to Consider

- A defining characteristic of most endowed foundations is the extraordinary freedom they have to define their accountabilities, beyond baseline accountabilities to regulators and boards. To whom is your foundation responsible? Who are your top three stakeholders—inside the foundation, and outside of the foundation?
- Are there certain principles to which your foundation feels accountable, such as founder legacy?
- What is your foundation's approach to transparency? What information does it make publicly available, and why? What does your social compact suggest about what should be shared, and with whom (such as goals, how grant decisions are made, lessons learned, failures)?
- To what degree does your foundation seek to influence the communities it serves? To what degree is the foundation influenced by the communities you serve? Why?
- A foundation's social compact is the source of the foundation's legitimacy in the ethical sense; this sense of legitimacy is often earned, or conferred by others. To what degree does your foundation derive its sense of legitimacy from the private action of its donor? Government? Grantees? Public goodwill? Populations served? Nonprofit sector writ large? Peer foundations?
- Which does your foundation value more, and why: the freedom that foundations have to act independently, or the trust that the public confers on foundations, which may occasionally constrain independence?



# Operating Capabilities

**A foundation's operating capabilities address the question: What must a foundation not just do or obtain, but excel at in order to achieve its mission? How can it best deploy resources to support its work in alignment with its charter and social compact?**

Operating capabilities are the dominant approaches that guide how a foundation carries out its work and the core competencies, resources, skills, and processes that it cultivates in order to achieve results. Culture plays a role here in how the foundation defines and deploys its capabilities.

***“All foundations already do impact investing, but they’re not all structured in ways that allow them to understand if their impact is positive, or negative. You have to constantly push yourself to investigate what effect you are having.”***

*Clara Miller, Heron Foundation*

Some foundations can easily group their programs into a handful of broad issue areas, such as the environment or education—but are less clear about the operating capabilities that inform how they carry out their work within a program or across the foundation as a whole, such as their approach to resourcing and building relationships. These foundations may struggle to develop and manage capabilities, or end up heavily weighted in certain capabilities and woefully under-resourced in others.

Whatever their life-cycle stage or size, all foundations try to balance their missions and resources. The California

Wellness Foundation's president and chief executive officer, Judy Belk, notes, “Most foundations are not the size of Ford and Gates—so every ounce of human potential is critical.”

To optimize their overall performance to meet emerging challenges and opportunities, many foundation leaders are taking a hard look at their organizations' operating capabilities—and navigating a variety of tensions. These tensions fall across six critical dimensions, all of which are interrelated. Through the Theory of the Foundation initiative's inquiry process, foundation leaders identified the following key operating capabilities that inform how they carry out their work: decision making, resourcing, flexibility, initiative, programming, and relationships. How a foundation approaches each of these capabilities may be considered as a point along a spectrum, as illustrated on p.17. The spectra illustrate the underlying dynamics of how work is actually done in a foundation. Although there is no “right” place to be on any of these spectra, an individual foundation's choices have important implications for its operations and organizational culture. For example, a centralized approach may lead to more coordinated investment; a broad approach may lead to more intentional learning across fields. Shifting a foundation's position along these spectra is often a matter of culture change, requiring intensive and intentional work.

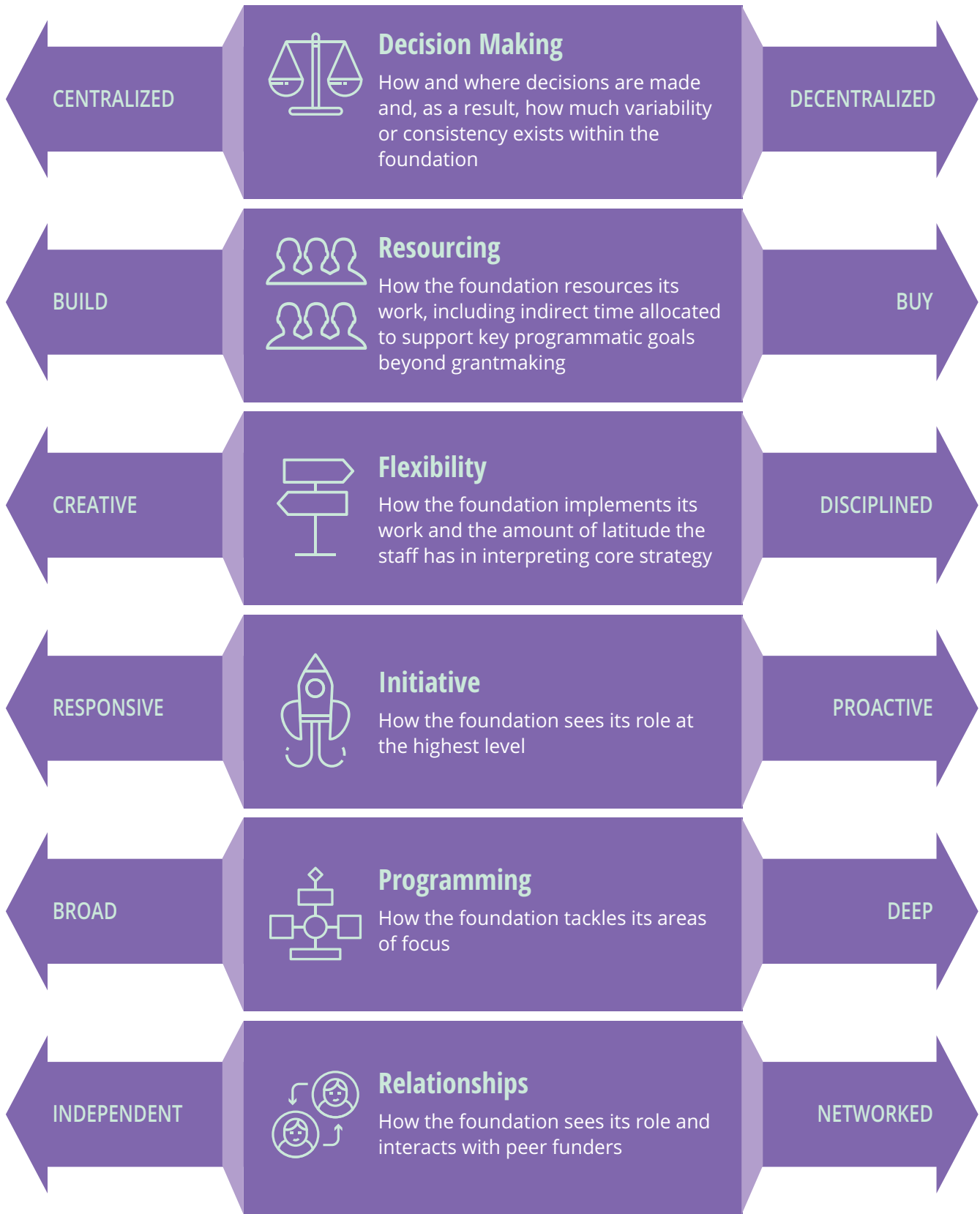


## GrantCraft Connection

Use GrantCraft's guide [Supporting Grantee Capacity](#) to discuss your foundation's approach to supporting grantees. How does your approach reflect where your foundation sits on the spectrum of each of the six operating capabilities identified in this chapter?



# What's Your Operating Capabilities Approach?



# Key Operating Capabilities

## DECISION MAKING

### Centralized $\longleftrightarrow$ Decentralized

This refers to how and where decisions are made and, as a result, how much variability or consistency exists within the foundation. Do the foundation's programs operate independently? Or are key program strategy and design decisions made centrally, with each program taking on an implementation role? How much latitude do individual program officers have? How much effort goes into integration across program areas or functions?

At the Ford Foundation, notes Cardona, where and how decisions are made is changing. "Research, strategy, and decision making at the foundation traditionally rested at the level of the individual program officer. We operated on a bit of an academic model; as in a university, program officers came in with a specific discipline, and were hired because they had a research agenda to pursue and were then authorized to go forth and pursue it. Over the last eight years, the foundation has been gradually moving away from that. We condensed the overall number of lines of work; now, we are further refining our focus, and enabling more coordination across the foundation to integrate regional offices and to engage directors across the foundation in tackling inequality. This all requires different capabilities in our program directors and officers; directors previously had grantmaking responsibilities, but today are much more focused on strategy and management." A shift in decision-making approach can necessitate a shift in staff competencies—in this case, from direct grantmaking to strategy and management.

## RESOURCING

### Build $\longleftrightarrow$ Buy

This refers to how the foundation resources its work, including indirect time allocated to support key programmatic goals beyond grantmaking. Does the foundation build out its internal operations deeply, does it share back-office or other critical functions with other foundations, or does it buy outside expertise? To what extent does the foundation act as grantmaker and/or investor (buying external expertise) compared to operating programs or carrying out work through its own staff

(building internal capability)? Do these patterns hold true across all program areas (which might place it farther at one end of the spectrum), or do they vary across programs (placing it closer to the middle)?

At the Heron Foundation, president Clara Miller examined current operating capabilities and then took steps to evolve them toward the build end of this spectrum. "We decided that we needed to do more than just conduct financial transactions," she notes. "We also needed to leverage these transactions by being out in the investment community, by building and helping others to make deals. So we've moved beyond thinking of transactional relationships with grantees as the prime influence—we now put other voices to our work, not as a broadcast, but as a community." A shift in resourcing approach—in this case, to leverage financial transactions by building internal capacity—can have ripple effects on internal and external relationships.

## FLEXIBILITY

### Creative $\longleftrightarrow$ Disciplined

This refers to how the foundation implements its work, and to the amount of latitude staff have in interpreting core strategy. Though a strategic plan or set of issue priorities may be developed collaboratively across an entire foundation or handed down from senior leadership, implementation of these plans or priorities often lies with individual program staff. What latitude does staff have for interpreting the core strategy or issue priorities? Are they encouraged to be creative and adaptive as they develop their grantmaking and other program activities, or does the foundation tend toward a disciplined and strict adherence to a central or shared plan of action?

Laura Arrillaga-Andreessen of Laura Arrillaga-Andreessen Foundation notes, "Philanthropy is a bridge between personal values and passions, resources and community needs, and welfare and enhancement. It is both art and science. We must account for the strengths and scale of institutional philanthropy, as well as the personal motivations and desires that drive the founders, leadership, and staff." For this foundation, striking a balance between creative and disciplined approaches is paramount.

## INITIATIVE

### Responsive ←→ Proactive

This refers to how the foundation sees its role as a change maker in society. Does it take a responsive approach, supporting goals and initiatives defined by leaders in their field or community, or does the foundation see itself as the creator of solutions, designing its own goals and initiatives? Does the foundation respond to efforts emerging from the field, or does it instead develop its own theory of change? Foundations may find themselves between the two ends of this spectrum. For example, some may have a generally responsive grantmaking strategy, but certain initiatives are proactive; others may develop their theory of change or overall strategy in a more responsive or collaborative approach with nonprofit leaders but implement this work in a more proactive manner through key initiatives that they design themselves.

At The California Endowment, which develops and deploys its own theory of change and is at the proactive end of this spectrum, Robert Ross observes, “I don’t understand the recent wave of aversion and critique of ‘strategic philanthropy’; how does one gauge progress towards mission without a base strategy or theory of change and some key measures for tracking purposes?” In alignment with this approach, the foundation does not accept unsolicited letters of intent or proposals; funding opportunities are by invitation only, to organizations the foundation identifies as a potential match with its theory of change.

## PROGRAMMING

### Broad ←→ Deep

This refers to how the foundation tackles its areas of focus. Does the foundation favor having well-defined programs with clear boundaries, or does it define its role in terms of a broad social change agenda with greater variety among the groups it supports? Does it see its signal achievements as having been in highly specific areas with these triumphs having ripple effects that reach the systems level, or from “big bet” or field-building grantmaking that has seeded an approach, movement, or strategy for change?

Paul Brest, faculty co-director of the Stanford Center on Philanthropy and Civil Society and former president of the William and Flora Hewlett Foundation, notes, “Many of

the big foundations are conglomerates with various goals. What’s most important is the internal self-discipline of being clear about goals, and being willing to monitor how they are doing in achieving those goals. Most foundations, even many of the big ones, don’t impose that degree of self-discipline on themselves.” A single foundation may have several programs that fall along different places on the programming spectrum.

## RELATIONSHIPS

### Independent ←→ Networked

This refers to how the foundation sees its role and interacts with peer funders or other potential partners, including the public and private sectors. Does the foundation tend to take solitary or unilateral action, which is often described as exhibiting leadership, risk taking, accountability, and ownership of an issue? Or does the foundation tend to take a networked approach with a focus on co-funding, collaboration, and even co-creation, seeking leverage and a larger sphere of influence and impact?

William and Flora Hewlett Foundation president Larry Kramer, reflecting on the foundation’s collaborative, networked approach, notes, “However much progress we can realistically expect to make, we’ll do more of it working together with other foundations than working alone. This level of collaboration does require changes at the operational level—big changes. You cannot simply sit back, develop your own strategy, get board approval to proceed in a particular way, and then go and find someone to collaborate with.” At Hewlett, respect, consultation, and collaboration with others in the field have been identified as essential to their outcome-focused philanthropy approach—internally, among cross-functional staff teams, and externally. A foundation that takes a networked approach is likely to actively seek out opportunities to co-create strategy and programming.

Foundations that share a networked approach often collaborate with one another as a network. For example, the Ford, John S. and James L. Knight, John D. and Catherine T. MacArthur, Mozilla, and Open Society foundations came together to launch NetGain, a partnership that enabled them to collectively identify and seed interventions and investment opportunities for their own foundations and to share those insights with the field.

Taken together, these operating capabilities represent a dynamic set of traits that interact frequently with one another and may, over time, shift in direction or dominance. Finding the right point of balance is a significant and ongoing challenge for foundation leaders. Shifts along these spectra often require them to scout new staff, invest in professional development for current staff, engage their boards in dialogue to evaluate their operating models in relation to the foundation's charter and social compact, and ensure alignment.

For example, a foundation's board of trustees may empower a new foundation CEO to move in a new direction but may meet resistance given the foundation's dominant set of operating capabilities—requiring a major reorientation of those capabilities. As the Heron Foundation's Clara Miller has observed, "Decision making in foundations can sometimes be a function of the

operating model: we have X number of programs and X number of program officers, so we chop up the program budgets in a specific way and then land on 'we can make X number of grants.' Instead, at Heron we began to ask what level of investment is needed to make a difference here? And it became clear pretty quickly that a different set of capabilities was needed." Conversely, a strong set of operating capabilities may exert an outsize influence on the other elements of a foundation's theory—leading a foundation to inadvertently remain stuck in its current capabilities or to prioritize them over its social compact or charter. As Ford Foundation president Darren Walker notes, "Foundations have to interrogate their own behaviors, practices, and policy. This is not something that can be taken on superficially. It needs to be taken on seriously. You need to do an honest self-assessment that can be very painful; has implications for talent, organization, and priorities; and can be very disruptive." The Theory of the Foundation framework can help foundations to ground their self-assessments in their distinct elements—charter, social compact, operating capabilities—and facilitate deeper understanding of how they align and manifest at the operating level.

A foundation that seeks to strengthen its work should take the time to understand its operating capabilities and how they constrain or enhance the foundation's overall effectiveness, and explore opportunities to rebalance their overall approach.



### GrantCraft Connection

Further reflect on your foundation's operating capabilities with GrantCraft's "[Roles@Work](#)," deck, which drills down into 29 roles funders commonly play—such as analyst, bridge builder, convener, idea mover—and offers insight on how to strengthen them.

## Questions to Consider

- What capabilities are distinctive at your foundation? What are your special strengths and what are some areas to be developed?
- Are your capabilities consistent across the whole foundation, or does each program bring a distinct set (for instance, reactive for arts but proactive for community development)?
- How well does your foundation "walk the talk"—are any of the foundation's stated capabilities more aspirational than others?
- Do you think your grantees and other stakeholders understand your operating capabilities? How does this level of understanding inform your interactions?
- Are there capabilities that are core to your work that aren't addressed in this chapter? What are they, and how might they connect with others?
- If your foundation was in start-up mode today, which capabilities do you think would be most important to design in—and which could be spun off or discarded?



# Takeaways for Funders

**Foundation leaders today are looking for better ways to lead their organizations through change. As they adapt to meet emerging challenges and new opportunities, evaluating where they've been will provide insight on what they will need for the journey ahead.**

The Theory of the Foundation provides a useful framework—charter, social compact, and operating capabilities—to help funders navigate through change and more effectively align resources within and across foundations. It brings critical areas of practice, so often left in the shade, more fully into the light. Robert Rosen, director of philanthropic partnerships at the Bill & Melinda Gates Foundation, observes, “It’s tough enough to collaborate: know thyself before trying to know others.” The framework enables foundations to do just that; to get to know themselves better and, by using a common framework, to more effectively connect with others.

***“It’s tough enough to collaborate: know thyself before trying to know others.”***

*Robert Rosen, Bill & Melinda Gates Foundation*

Tapping more deeply into a foundation’s charter, social compact, and operating capabilities will benefit not only the foundation but its partners, stakeholders, and communities too. At the Tecovas Foundation, consideration of this framework has helped to highlight how conceptions of this small family foundation’s social compact evolved over time. The foundation’s executive director and vice chair, Mary Galeti, notes, “The origin of our family foundation is rooted in our family business. The foundation was envisioned as a mechanism by which we, as a family, could practice working together in low-risk contexts. Today, we have dramatically changed our orientation. We recognize that the work of our foundation isn’t actually about us, and we are exploring where our charter and capabilities meet our social compact, to better define and address multiple levels of accountability—to our family, to our grantees, to our community stakeholders, and to the field of philanthropy itself.”

A foundation’s theory of itself sits at the center of its strategic intent: What will the foundation do, and not do—and why?

In practice, a foundation’s theory or core framework—its charter, social compact, and operating capabilities—come together to inform an overall operating model. Operating models are the organizational structures inside a foundation that enable it to reliably and consistently deliver the combination of capabilities needed to support its chosen approach or strategy. Operating models define where critical work happens in an organization and therefore how resources should be deployed in order to support that work—and ensure that people inside the foundation are aligned around a common understanding. This common understanding is key to a foundation’s culture and is a powerful motivator and enabler of essential behaviors.

Operating models also reveal fundamental differences in how foundations view what’s important, where and how they can add value, and, ultimately, how they achieve impact. Several distinct operating models that illustrate these differences are emerging from RPA’s research, such as talent agency (select, strengthen, and promote change agents closest to the issue), think tank (apply expertise

## Action Step

Take 15 minutes to catalog the ways you see your foundation’s charter, social compact, and operating capabilities in action—at the program and foundation levels. What surprises you? What inspires you? What is your foundation really good at? What opportunities do you see for strengthening your foundation’s work?

to design solutions, find implementers), field builder (grow organizations and movements to a point at which they could have a major impact), and campaign manager (use institutional power to get a policy/solution adopted broadly). Though foundations are rarely wholly and completely a “single model,” they do tend to lean toward one model while also incorporating traits of others. When it is well executed, the foundation’s operating model becomes a hallmark or defining characteristic of its approach, translating the core framework into practical application.

For example, the New York State Health Foundation illustrates aspects of the campaign manager model. President and Chief Executive Officer David Sandman notes, “We are a health-conversion foundation whose mission is to improve the health of all New Yorkers. When people tell me, ‘I thought the foundation was much bigger than it is!’ it always feels like a huge compliment. We strive to be more than grantmakers—we are change makers. Access to decision makers is a key strategy for us, so our communications and outreach are critical. I write a regular blog, and a senator in New York recently called me and said ‘I just read your blog, and thought: we need to talk!’ We ended up in an hour-long meeting with her and her staff. That is impact: We didn’t make a grant; instead, our in-house capabilities enabled our access to decision makers.” The New York State Health Foundation’s charter, social compact, and capabilities come together in its campaign manager operating model: the foundation proactively builds its own communications and convening capacity to improve health policy and spread effective programs and, ultimately, improve the health of all New Yorkers.

The Annie E. Casey Foundation illustrates aspects of the field-builder model, for example, through its KIDS COUNT Network—a group of child advocacy and research organizations representing every state and using data to promote smart policies on a range of childhood issues.

## Action Step

Translate your foundation’s theory into an actionable model. Download and complete the “philanthropy canvas” worksheet at the end of this paper, to help you map current operating models—at the program or foundation level—or develop new models.

## Action Step

Identify colleagues in other foundations who are interested in discussing your respective foundations’ theories and operating models. Consider how they constrain or support your effectiveness individually, and collectively in partnership with others. What points of convergence and divergence do you see?

Lisa Hamilton, the foundation’s vice president, notes, “We are committed to sharing effective solutions. So when we figure out something works, we think it’s really important to broadly disseminate those solutions so that others can take action too—and together, we can move the needle in a positive direction. To that end, we have invested in building and strengthening the KIDS COUNT network of advocates in each state as a platform for sharing good policy ideas.” In this example, the foundation’s independent, proactive capabilities enable it to strengthen the field of child advocacy just as its charter and social compact are rooted in the experiences of the founder’s mother—a widow whose struggle and sacrifice now serve as an enduring legacy for children and families.

The Wikimedia Foundation illustrates aspects of the field-builder model as well, as it pioneers and promulgates participatory grantmaking approaches at the program, foundation, and sector levels. To facilitate engagement and foster transparency at every stage, the foundation’s entire grantmaking process is conducted publicly online—from proposal intake and feedback on strengths and weaknesses to funding decisions.



### Click Here to Learn More...

from Katy Love, director of resources, Wikimedia Foundation, about how the foundation operationalizes its charter, social compact, and operating capabilities.

As the examples above demonstrate, foundations may deploy distinct operating models at the whole foundation and individual program levels. At times, a foundation may have multiple operating models at work within a single program area, given external constraints, opportunities, or the varying needs of the field or system

it seeks to influence. (A fuller publication on the topic of operating models is in development and will be available at [rockpa.org/expertise/theory-of-the-foundation](https://rockpa.org/expertise/theory-of-the-foundation).)

The Theory of the Foundation framework is designed to help funders analyze and reflect on the critical elements that underpin a foundation’s operating model: charter, social compact, and operating capabilities.



### Click Here to Learn More...

from Jarrett Lucas, executive director, Stonewall Community Foundation, who discusses the value of regular institutional introspection and how the Theory of the Foundation can be adapted for use by a community foundation.

Whether used individually or in concert with others, the Theory of the Foundation can help funders to create a shared vocabulary for reflection, to illuminate important

distinctions and commonalities among foundations, and to provide a useful framework for the sector as a whole to reflect, align resources, and achieve greater impact.

With this framework as a guide, reflection can spark insights, enable dialogue about strategic intent, and help to build greater alignment—so that funders of all kinds will be better positioned to achieve the results they seek, together.

### Action Step

Share this GrantCraft paper with your foundation’s trustees and staff, and then host a brown-bag conversation inside your foundation about how your foundation’s theory has shaped its development as an organization over time.

### Questions to Consider

- How can you apply the Theory of the Foundation framework to your own foundation? How might a conversation about your charter, social compact, and operating capabilities play out during a senior staff meeting or board retreat?
- How would you describe your foundation’s overall operating model (whether or not one has been explicitly articulated)?
- Does your foundation manifest more than one operating model? Do different programs have different models?
- What influence, if any, has your foundation’s organizational life cycle had on your foundation’s operating model?
- When you look out across the field of philanthropy, are there certain new or emerging operating models that strike you as intriguing? How and why? What elements do you think might “fit” within your foundation’s operating model—and which would not?





## TRANSLATE YOUR FOUNDATION FRAMEWORK INTO AN ACTIONABLE MODEL

# Philanthropy Canvas

**A foundation’s framework (charter, social compact, and operating capabilities) sits at the center of its strategic intent: What will the foundation do, and not do—and why?**

Once a foundation has clarified its Theory of the Foundation, it is ready to translate that framework into an actionable model.

To help with that process, RPA created a tool called the “philanthropy canvas,” a variant of the business model canvas created by Alexander Osterwalder and Yves Pigneur.<sup>1</sup> This canvas invites foundation staff, trustees, and other key stakeholders to map out the elements of a foundation’s broader strategy and activities in relationship to both its core framework, which lies at the heart of the organization, and the external environment that it seeks to influence and is in turn influenced by.

With the philanthropy canvas, foundations can map the relationships among a foundation’s core drivers and articulate the foundation’s strategic intent. The philanthropy canvas situates a foundation’s framework (charter, social compact, capabilities) at the center, and moves out to encompass partners, resources, and external

conditions; it brings into focus the full landscape of relationships, constraints, and opportunities.

Use the philanthropy canvas at the program or foundation-wide level, or both—to help you map current operating models or develop new ones. For more guidance on how to use such a canvas tool for strategic planning and organizational assessment, visit: [rockpa.org/expertise/theory-of-the-foundation](https://rockpa.org/expertise/theory-of-the-foundation).

To begin, consider the framing question and items in each box of the canvas on the following page, as well as the most important elements of the outside world described in the four areas surrounding the canvas. Invite members of your foundation’s leadership to offer their suggestions for how they would fill out each box on the canvas for your foundation and then facilitate a conversation with colleagues and/or peers in other foundations to reflect on these initial suggestions to begin your reflections.



1. For more, see: Alexander Osterwalder, Yves Pigneur, Tim Clark, and Alan Smith, *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers* (Hoboken: John Wiley & Sons, 2010).



# Philanthropy Canvas Worksheet

## STATE OF THE WORLD/ISSUE

Problem environment that you are trying to change

<p><b>Where is the change?</b> People, species, organizations, and/or places</p>	<p><b>Who will help you?</b> Co-creators, co-funders, and supporters</p>
<p><b>How do you do it?</b> Key activities</p>	<p><b>How do you interact?</b> Relationships</p>
<p><b>What do you do and why?</b> Charter, social compact, and capabilities</p>	
<p><b>What do you need?</b> Key resources</p>	<p><b>How do you distribute or disseminate?</b> Channels</p>
<p><b>What will it cost?</b> Budget &amp; opportunity costs</p>	<p><b>How will you fund it?</b> Capital, income, and/or co-funders</p>

**REGULATORY & POLITICAL ENVIRONMENT**  
Legal and cultural policy limitations that define the range of possible actions

**ACTOR LANDSCAPE**  
The funders, nonprofits, and other players working on the issue you care about

## RESOURCE CONSTRAINTS

Financial resources available, internally and across the field

## ABOUT FOUNDATION CENTER

Established in 1956, Foundation Center is the leading source of information about philanthropy worldwide. Through data, analysis, and training, it connects people who want to change the world to the resources they need to succeed. Foundation Center maintains the most comprehensive database on U.S. and, increasingly, global grantmakers and their grants — a robust, accessible knowledge bank for the sector. It also operates research, education, and training programs designed to advance knowledge of philanthropy at every level. Thousands of people visit Foundation Center's website each day and are served in its five regional hubs and its network of more than 400 funding information centers located in public libraries, community foundations, and educational institutions nationwide and around the world. For more information, please visit [foundationcenter.org](http://foundationcenter.org), call (212) 620-4230, or tweet us at @fdncenter.

## ABOUT ROCKEFELLER PHILANTHROPY ADVISORS

Rockefeller Philanthropy Advisors (RPA) is a nonprofit that partners with individuals, families, and institutions to help make philanthropy more thoughtful and effective. Since 2002, we have facilitated more than \$3 billion in grantmaking worldwide, establishing ourselves as one of the world's largest and most trusted philanthropic service organizations. We advise established and aspiring philanthropists, foundations, and corporations; manage innovative, early-stage nonprofits; and share insight and learning with our clients, our community, and the sector. By continuing to build on lessons learned over more than a century, our goal is to help define the next generation of philanthropy and to foster a worldwide culture of giving. For more information, visit us at [rockpa.org](http://rockpa.org).

## THEORY OF THE FOUNDATION FUNDERS

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- Arcus Foundation
- Barr Foundation
- Bill & Melinda Gates Foundation
- The California Wellness Foundation
- Calouste Gulbenkian Foundation
- Charles and Lynn Schusterman Family
- Conrad N. Hilton Foundation
- The David & Lucile Packard Foundation
- Episcopal Health Foundation
- Esmée Fairbairn Foundation
- Fondazione CRT
- Ford Foundation
- Gordon and Betty Moore Foundation
- Heron Foundation
- Houston Endowment
- John D. and Catherine T. MacArthur Foundation
- The Kresge Foundation
- Lloyds TSB Foundation for Scotland
- Lumina Foundation
- Margaret A. Cargill Philanthropies
- Nathan Cummings Foundation
- Newman's Own Foundation
- Oak Foundation
- Porticus
- Rasmuson Foundation
- Robert Bosch Stiftung
- Robert Wood Johnson Foundation
- Rockefeller Brothers Fund
- The Rockefeller Foundation
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- Robert Ross, The California Endowment
- David Sandman, New York State Health Foundation
- Darren Walker, Ford Foundation





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