



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/articles/secret-sauce-great-funder-nonprofit-relationships>

# The secret sauce of great funder/nonprofit relationships

By: Jennifer Chandler

What's the secret sauce in great funder/nonprofit relationships? Here's a crowdsourced "recipe" straight from the participants in four programs we co-hosted with Exponent Philanthropy in 2017.

- [A Toolkit for Funders: Great Funder-Nonprofit Relationships](#) (Exponent Philanthropy)

## Recipe for Secret Sauce

**Ingredients:** We heard over and over from both funders and nonprofits that the ingredients for great relationships need to include: mutual respect, clear expectations (from both sides), open and ongoing communication, trust, humility, and mission alignment. Some other ingredients that really resonated were: respect for failure, open-mindedness – and a willingness to learn from each other.

**Directions:** Once we've acknowledged that we need all these ingredients, now it's time to put the sauce together. You will be adapting this recipe to your own situation – just as every foundation, and every charitable nonprofit, will approach their relationships in a unique way. But here are some action steps that both funders and

nonprofits recommend for the secret sauce of a great relationship:

**Stir together power and respect.** One of the most important steps is to intentionally acknowledge the tension that exists due to the [power dynamic](#) between grantmakers that provide the grant dollars and nonprofits that use those dollars to provide services. An insightful comment we heard was, *“Recognize that money is what brings us together, but our missions are what brings meaning to the relationship.”* Talking about the power dynamic will help us all recognize blind spots. Pointing out to each other how this dynamic makes us feel takes courage, but will add balance to the sauce.

**Fold in trust and transparency:** We heard over and over, from both nonprofits and grantmakers, that trusting each other – even when you feel that you are taking a risk – is a hallmark of a respectful and strong relationship. Find ways to show up as a trusted partner. Foundations: how can you help nonprofits understand the constraints on your operations that without explanation appear mysterious and opaque? Nonprofits: are you comfortable sharing that the soufflé collapsed, as well as that your program was just awarded five stars? And did you know that foundations appreciate being reminded about the logistical challenges you face when trying to find information on their websites or when navigating their applications and reporting procedures?

**Add some spice:** Time is precious, so respecting everyone’s time is key, but adding some “spice” to the relationship, whether taking time to visit a nonprofit’s facility, attending a program hosted by a foundation, arranging to have coffee and share “how things are going” from time to time, or penning a handwritten note, can add a new dimension or depth of understanding to the relationship.

**Marinate:** Relationships take time. We heard this recommendation several times: look for ways to connect and share information OUTSIDE of the grant making process. There are many ways that foundations can be a resource for grantees other than by writing a check. Some ideas we heard included:

- Funders could introduce nonprofits to other grantmakers that may be interested in their missions and bring grantees together by hosting a “community of practice” for knowledge sharing and deeper collaboration.
- To encourage communication outside of the direct grant process, foundation staff could schedule “open office hours” several times during the year when

nonprofits/grantees are encouraged to provide updates and/or ask and answer questions.

- Nonprofits could include their funders in learning communities, combining forces to host “issue briefings” so foundations in the community can learn alongside nonprofits about issues arising from their work in the community.

**Manage expectations:** Think of your counterpart (grantmaker or nonprofit) as your co-chef. You’re sharing a tight space in a hot kitchen – you don’t want to get burned! What’s key? Communication and managing expectations about what direction you need to turn. Is your foundation shifting gears and exploring funding in new areas? Let your grantees know well ahead of time. Is your nonprofit trying something new? What a great opportunity to reach out and let existing funders and other foundations in the community know. Before a grant is awarded: find an opportunity to touch base with each other before the nonprofit spends a lot of time drafting a proposal that may not align with the funder’s priorities. After a grant is awarded: are the foundation’s expectations for reporting clear? Have both sides made sure that there is more than one point of communication so that information can continuously flow both ways, even if the primary point of contact is not available?

**Whip up a communications plan:** Chefs know that each time they whip cream or eggs is different: the humidity in the air, the quality of the ingredients, and the temperature of the equipment are always changing. Will the egg whites only foam, or will they form a perfect meringue? The meringue will last. The foam won’t. Similarly, communications are best when continuously responsive to the changing conditions within and outside of your organizations. How do your mission partners like to receive information from you? Do you know? Nonprofits: ask your funders, “*How would you most like to receive information from us? Newsletters? Email? phone call? Video? How often?*” Foundations: don’t assume that nonprofits visit your website frequently or read every newsletter carefully. (They’re handling a lot of hot pans – just as you are!) Look for opportunities to share what’s important to your work – and theirs – and reach out personally. But not just once a year. Like a great chef, keep an eye on the recipe, but be ready to improvise.

**Sauté:** Sometimes a quick sear in the pan seals in the flavor. Rather than requiring lengthy reports long after the activities have concluded, foundations can ask nonprofits for short, timely snapshots/updates via phone call, or a coffee date, or suggest that a nonprofit share the same report they submitted to another funder. Both show respect for the time it takes nonprofit staff to prepare reports or prep for

meetings with their funders. One observation on this topic was that more frequent, less formal reports help to establish more of a collegial relationship and help diffuse the power dynamic between grantmaker and nonprofit.

**Taste!** How's it going? Feedback is important – for both grantees and grantmakers. Nonprofits in our program were hungry for feedback, especially about why their proposal was turned down. What would have made the proposal successful? Should they bother to apply again? Foundations were also eager to learn about the experiences of nonprofits that did and did not receive funding. Was the application process on point? Is the foundation in tune with the community's needs? A common recommendation we heard was to make sure that both sides have shared clear expectations about how each would like to receive feedback. Can you talk with your counterpart about what's working and what's not? Exponent Philanthropy offers foundations the opportunity to outsource the process of collecting feedback through its [assessment Grantee and Applicant Perception Survey \(GAPS\)](#). Grantmakers can create their own questions to probe how the entire grant experience felt to nonprofits. [GrantAdvisor.org](#) is another way that nonprofits and others can provide anonymous feedback to grantmakers.

**Check - is anything missing?** What additional/different resources could help the nonprofit even more than a grant? What information from nonprofits could help the grantmaker make more strategic grantmaking decisions? Have you asked your counterpart, "*What's missing*"? You could be each other's best resource!

**Garnish the plate:** What added value can each side bring to the other? Here's a suggestion from the grantmaking side of the kitchen: Grantmakers could convene a webinar to address issues in the field that their grantees have in common, that would both showcase their grantees' expertise, and share knowledge broadly. "*We want to help our grantees be successful. We're always looking for ways to connect our grantees with other resources – whether people, potential board members, or information that could be useful.*" Nonprofits: beyond reporting outcomes, could you include your current or prospective funders in an immersive experience exposing them to the issues your nonprofit is addressing that deepens their understanding? Sometimes site visits aren't practical or possible, but a new and interesting way to introduce the foundation to your nonprofit's mission area could offer a sensitive touch that nourishes a great relationship.

**Deliver to the table and “Enjoy!”** By now you’ve mixed and stirred, whipped and marinated – We hope the sauce is superb!

## **Resources**

- How one small foundation [uses social media](#) to reduce the power dynamic (PhilanthropFiles)
- [Time to revisit reporting](#) (Center for Effective Philanthropy)
- [We Are in This Together: A Letter to Philanthropy](#) (GEO)