



# Community Foundation Collaborations

*Passing Fad or  
Promising Practice?*

In Association with:



COMMUNITY  
FOUNDATIONS  
OF CANADA  
*all for community.*





## **Introducing Your Session Presenters. . .**

**Cathy Elliott,**

Community Foundations for Lancashire & Merseyside  
Community Foundation Network Trustee

**Julian Rathbone,**

Rathbone Investment Management

# Community Foundation Collaborations

## Session Content

### 1. CFN & CFC Presentation

- Defining Collaborations
- Practicalities of Collaborations
- UK Case Study
- Useful Resources



### 2. Collaboration Debate

### 3. Rathbones Presentation





**Cathy Elliott**  
Community Foundations for  
Lancashire & Merseyside  
Community Foundation Network Trustee

# Definition: Collaboration

**Collaborative working describes joint working by two or more charities in order to fulfil their purposes, whilst remaining as separate organisations.**

This may relate to any aspect of the charities' operational activity, including administration, fundraising, profile enhancement, resource sharing and streamlining of costs and service delivery.

**Source: Charity Commission, UK**



## Definition: Merger

**The merger of charities means two or more separate charities coming together to form one organisation.** In such cases, either a new charity is formed to carry on the work or take on the assets of the original charities, or one charity assumes control of another. Trustees must act in accordance with the powers in their charity's governing document or those given to them by law to make sure that any merger is legally sound.

Source: Charity Commission, UK



***“There aren’t many examples (of mergers) out there because it hasn’t really been done...The issues ...raised are pretty much the same whether the community foundation is in Cape Town, Liverpool, Oklahoma City or Sofia.”***  
Dorothy Reynolds, C S Mott Foundation (in conversation), October 2009



# CF Interest in Collaborations & Mergers



## Transatlantic Community Foundation Network

***“The call for collaborative solutions is embraced. Academy members note that the shift in problem-solving from government to the private sector requires a shift in thinking towards collaboration.”***

***Community foundations are uniquely positioned to facilitate these arrangements with outside entities and among themselves. Communities will become stronger by moving past the question, ‘Who is responsible?’ to answer, ‘How do we do it together?’”***

*Robert H Martin, New Promise: The Transatlantic View, commenting on One the Brink of New Promise on behalf of the Transatlantic Community Foundation Network, 2009*

# Why Collaborate?



joe-ks.com

**What are you doing to save time?**

# CF Collaboration Concepts & Rationales

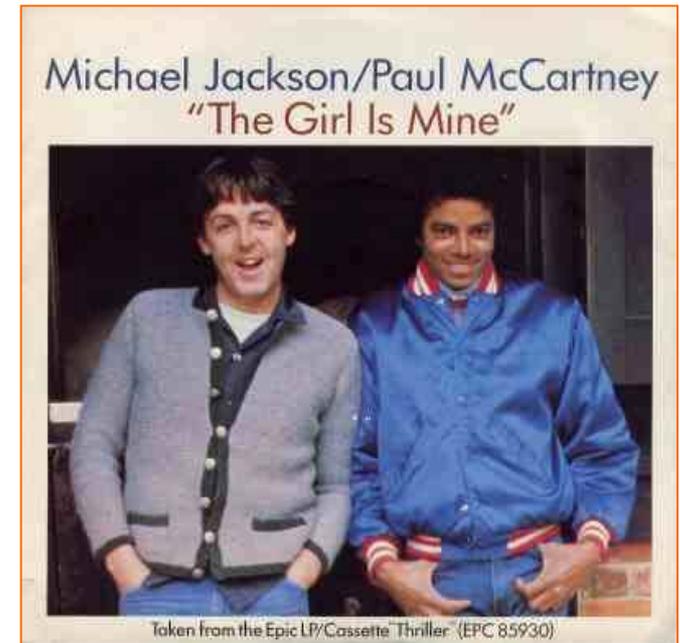
- Universal coverage and access
- Cost effectiveness
- Economies of scale
- Leveraging resources
- Peer learning
- Greater impact
- Increased visibility



Run DMC & Aerosmith  
performing 'Walk this Way' –  
A great collaboration.

# CF Collaboration Types

- Community funds / affiliates
- Regional community foundations
- Technology
- Investment management
- Strategic partnerships /programs
- Shared administration/operational activities



A collaboration that didn't create the greatest song?!?



# Collaboration Benefits



- Cost benefits
- Improvement to the quality of service
- Ability to reach more diverse group of beneficiaries
- Ability to gain access to expertise and talent, none could afford alone
- Greater impact to beneficiaries
- Ability to unlock funding due to joint expertise or resources

(Sources: The Charity Commission, Dorothy Reynolds, CS Mott Foundation, Jenifer Leonard – ‘Creating Community Capital’, Francie Ostrower, Ph.D – ‘The Reality Underneath the Buzz of Partnership’, C Elliott’s conversations with community foundation practitioners in USA and Canada, October – November 2009)



# **Community Foundation Collaborations in the UK**



# Collaboration Examples in the UK

- Outsourcing functions, such as finance, IT and payroll services
- Sharing resources, such as training
- Co-locating and sharing offices and resources
- Formal partnerships in which resources are pooled to secure staff or services that none could afford on their own
- Joint projects or programmes for aspects of service delivery

(Sources: The Charity Commission, Dorothy Reynolds, CS Mott Foundation, Jenifer Leonard – ‘Creating Community Capital’, Francie Ostrower, Ph.D – ‘The Reality Underneath the Buzz of Partnership’, C Elliott’s conversations with community foundation practitioners in USA and Canada, October – November 2009)



# UK Network Collaborations & Mergers Survey 2009/10 (a)

## What are the opportunities in working collaboratively with other CFs?

- 36.4% Greater Social Impact in Grant-Making
- 45.5% Cost Efficiencies in Running Costs
- **90.9% Pooled Expertise**
- 54.5% Greater Funding and Donor Opportunities
- 36.4% Improved Donor Services
- 45.5% Improved Community Leadership Role

Survey: 14 out of 58 senior community foundation staff surveyed during November 2009 to March 2010 - 79% of respondents were CEOs. Survey achieved a 24% response rate from the UK Network.

# UK Network Collaborations & Mergers Survey 2009/10 (b)

**What are the risks involved in working collaboratively with other CFs?**

- **60% Loss of Local Focus**
- 20% Greater Running Costs
- 30% Damage to Own Reputation
- **40% Leadership Issues**
- 30% Complicated Governance
- 20% Poor Communication Issues
- **60% People or Personality Issues**
- 30% Unwillingness from own CF
- **40% Unwillingness from other CFs**



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# Community Foundation Collaborations in Canada

Content Source: Community Foundations for Canada 2011



# Canadian Collaboration Examples

## 1. **Programs and Services:**

Vital Signs, OLTA, Lake Winnipeg Watershed, NB Poverty Reduction; Marketing and Communications

## 2. **Administration/operation/infrastructure:**

administrative hub, shared financial management, management agreement, joint professional development; website

## 3. **Community Funds:**

within and outside service areas

“Most partnerships between community foundations are focused on either programs and services, or administration and infrastructure.”

**Community Foundation Strategic Alliances: Partnering for Impact and Sustainability, Community Foundations of Canada**



# CFC 'Better Together' Study Findings (a)

## **Regional Alliances can:**

- Reduced operational costs
- Increase organisational capacity
- Increase assets
- Improve accountability
- Leverage funds, resources and knowledge
- Strengthen regional voice and policy presence
- Unite philanthropy on a regional level



# CFC 'Better Together' Study Findings (b)

## Successful alliances can:

- Help the CF field-at-large increase its ability and capacity for philanthropy building (71%)
- Help build public trust and credibility for the sector (59%)
- Help philanthropy come together on other issues (49%)



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# Community Foundation Collaboration Practicalities

# Collaboration

## Considerations: Strategic

- Arrangements which **value each party's independence**
- **Compatible activities** and organisational structures
- **Clear definition** of, and accounting for, what each relevant CF is responsible and liable for
- Agreements which are proportionate to the relative risks and complexity of the collaboration
- **Termination clause** in any formal contract
- The collaboration furthers each CF's objectives and business plan
- It is appropriate use of CF's funds?
- Type of agreement – contract, service level agreement, memoranda of understanding

(Sources: The Charity Commission, Dorothy Reynolds, CS Mott Foundation, Jenifer Leonard – 'Creating Community Capital', Francie Ostrower, Ph.D – 'The Reality Underneath the Buzz of Partnership', C Elliott's conversations with community foundation practitioners in USA and Canada, October – November 2009)



# Collaboration Considerations: Practical



**Expectations for how partners will work together;**  
define values, rules, relationships and responsibilities.

- **Important for guiding activities;** critical reference when problems arise
- Should be clear, sufficiently detailed, complete
- Some principals will be generic around working together; some will be specific around project work
- **Everyone must be able to commit**



**No Partnership**

# Collaboration Spectrum

**PROGRAMS & SERVICES**

## Joint Short Term Project

- Marketing
- Fund development
- Granting
- Community leadership
- Board development

## Joint Research

- (e.g. Vital Signs)

## Donor Services

## Administration

- Grants
- Donor services

## Shared professional/program staff

- Executive Director
- Fund Development
- Communications/Marketing
- Grants
- Board development

## Financial Management

- accounting
- Audit
- FIMS
- Financial/database system information

**ADMINISTRATIVE/OPERATIONAL**

## Investment

## Special Events

## IT

## Governance

## Telephone

## Website

## Office

## Merger

# Factors for Success

- **Shared vision or similar aims/philosophy**
- Financial support
- **Full co-operative working/openness and desire between parties**
- Boards that can collaborate and not feel one is superior to the other
- Strong leadership; the role of the Board and Chief Executive
- Positive people and their attitude - changes in staff personnel and the timing of those changes can make all the difference.
- Good communication and consultation – “bullying” is not the way
- Insight into each others’ organisations and detailed preparation

(Sources: The Charity Commission, Dorothy Reynolds, CS Mott Foundation, Jenifer Leonard – ‘Creating Community Capital’, Francie Ostrower, Ph.D – ‘The Reality Underneath the Buzz of Partnership’, C Elliott’s conversations with community foundation practitioners in USA and Canada, October – November 2009)

# Factors for Failure

- **No shared vision or philosophy**
- Too much bureaucracy
- **Strong leadership:** the role of the Board and Chief Executive
- No consultation and poor communication
- Complicated paper-work / financial problems
- Clash of functions or leadership
- Overbearing for small charities
- **Financial cost and unforeseen costs**
- Lack of interest
- Fear of charity's loss of identity
- Charity Commission will raise objectives

(Sources: The Charity Commission, Dorothy Reynolds, CS Mott Foundation, Jenifer Leonard – 'Creating Community Capital', Francie Ostrower, Ph.D – 'The Reality Underneath the Buzz of Partnership', C Elliott's conversations with community foundation practitioners in USA and Canada, October – November 2009)



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# In Order To Succeed



I regret nothing.

You must stick  
to your  
mission...  
and vision...

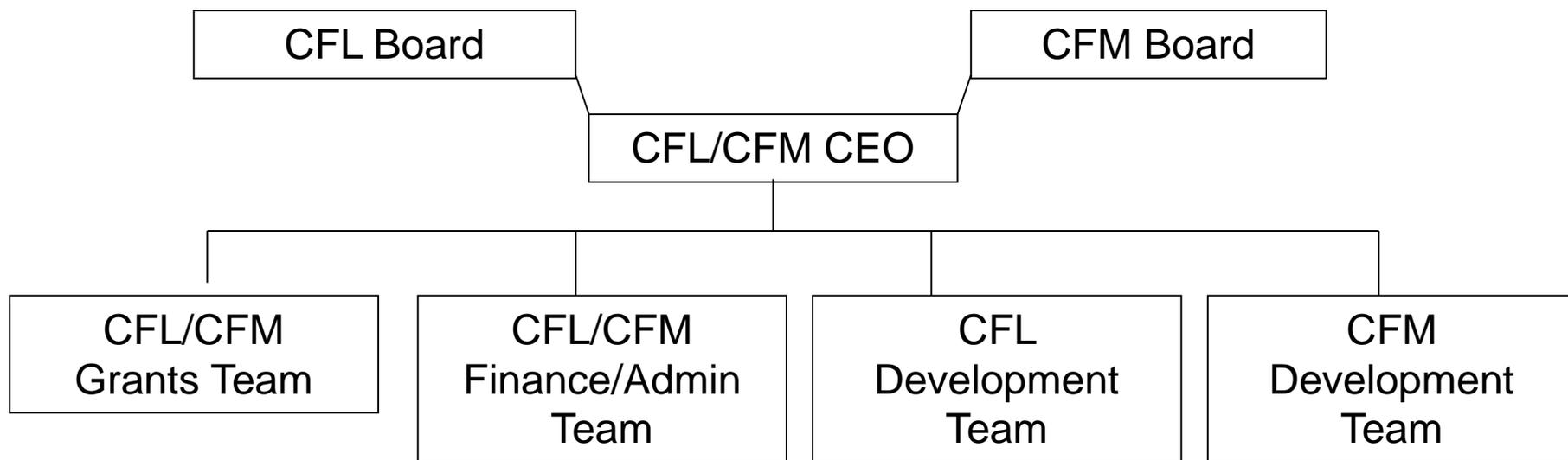
# UK Case Study

## ***Community Foundations for Lancashire & Merseyside – “A Close Collaboration”***





# Case Study: Lancashire – Merseyside Model



## Background:

- Grant making in Merseyside since 1999 and in Lancashire since 2003
- CFM established in 1999 as registered charity
- CFL established in 2007 as a registered charity
- Restructure implemented in January 2010 to create one staff team
- Cross-Board working group established in January 2010

# Case Study: Lancashire – Merseyside Model

**There are two key aspects to try and identify through the measures:**

1. That the overheads of the “whole” are less than the overheads of the two units operated separately.
2. That the activity level (donor base and grant programme) of the “whole” is greater than the activity level of the two units operated separately.

# Case Study: Lancashire – Merseyside Model

## Measurements of Successful Collaboration:

1. Chief Executive Deployment
2. Staff Optimisation/ Deployment
3. Donor Activity (Base Level and Growth)
4. Grants Activity (Base Level and Growth)

See ‘Case Study’ Handout  
for more details.



# Questions?

# Useful Resources

## UK

UK Charity Commission Articles and Toolkits via [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk):

- RS 4a - Collaborative working and mergers (2003)
- CC34 - Collaborative Working and Mergers (2009)
- Merger Toolkit (2009)

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Community Foundations for Lancashire & Merseyside, UK  
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E: [cathy.elliott@cfmerseyside.org.uk](mailto:cathy.elliott@cfmerseyside.org.uk)



# Useful Resources



## Canada

- Community Foundation Strategic Alliances: Partnering for Impact and Sustainability, *A Discussion Paper for Community Foundations of Canada (2009)*
- An Examination of Regional Collaborations, *Community Foundations of Canada (2007)*
- CFC Tips and Tools: Regional and Affiliate Community Foundations

Barbara McMillan, Director of Regional Strategies  
Community Foundations for Canada

W: [www.cfc-fcc.ca](http://www.cfc-fcc.ca)

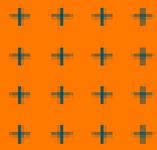
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*You can't force  
collaboration, but you  
can expect it -  
Start with people who  
want to collaborate.....*



**THANK YOU**



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Established 1742

# A Collaboration Debate: Challenges & Ethics

**RATHBONES**

Established 1742

**Julian Rathbone**  
**Ratbone Investment**  
**Management**