

less is more

A toolbox
for modern grantmakers

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Foreword

less is more is a joint initiative of around 30 colleagues from foundations in Germany and Switzerland. We work for small, medium-sized and large foundations that are active in a wide range of areas: from social issues to education, environmental protection and culture to development cooperation.

Although the foundations we work for are very different, we share a common learning experience: the fewer constraints and requirements we impose on the organisations we fund, the more impact and the better the results they achieve. Not least during the Corona pandemic, we learned that rigid adherence to agreed projects, milestones and budgets inhibits the creativity and performance of our partners. Funding relationships based on trust have proven to be more flexible and productive.

We are therefore convinced that every foundation should develop a sense for the question of how many conditions it must impose on its funding partners and how much freedom it can leave. We are convinced that less is often more.

In order to provide foundations with hands-on advice and ideas on how they can productively strike a balance between trust and control, we have compiled examples from our own foundation practice. We invite you to use this guide as a toolbox and pick out those approaches that suit you and your foundation.

This publication is the result of the webtalk **#ImpulseStiften**, which has been picking up on trends, initiating debates and providing practical tools for foundation work every fortnight since the beginning of the Corona pandemic. We are pleased that we have found partners for the publication who are jointly committed to modern and contemporary foundation work: the **Working Group on Grantmaking Foundations in the Association of German Foundations**, the Initiative **VertrauenMachtWirkung** and the **Haus des Stiftens** in Munich.

Our special thanks go to the Haus des Stiftens, which took on the design of the brochure as a pro bono service, so that **Less is More** was produced entirely on a complimentary basis.

We hope that you will find many suggestions in this publication and wish you every success in your foundation work.

The team of authors



A list of the people who contributed to this publication can be found on page 34.

Instructions for use

In our experience, foundations often transform themselves step by step by integrating new approaches into existing and proven processes. Therefore, we have structured this guide like a toolbox containing compartments for the different steps of a funding process: for the application phase, the reporting requirements, the grant restrictions and grant agreements, as well as the organisation of the cooperation during the funding period. In this way, you can specifically select those aspects that are of interest to your foundation and get inspirations from the examples and recommendations.

Since the individual chapters were written by different teams, they differ in style and length. In addition, we have refrained from aligning Standard German and Swiss German terms.

The structure of the five chapters, however, always follows the same structure:

- Each chapter presents practical dos and don'ts that foundations can consider for the task at hand.
- In addition, each chapter contains a section on the minimum legal standards that define the minimum requirements for the respective step in the funding process.
- The focus of all chapters is a collection of concrete examples to inspire imitation.

The recommendations and examples were compiled in dialogue with a group of foundation colleagues and do not claim to be exhaustive.

Join in with less is more

The first version of this guide was created in spring 2022 and published as a PDF in September 2022. However, this is not the end of the project, as the collection will be continuously expanded. To this end, we have created a website at www.weniger-ist-mehr.org, where we are continuously adding to the chapters and compiling further examples and information.

So if you know of good examples from your own or other foundations of how to make funding relationships fair and flexible, please become part of **Less is More** and share your knowledge. We look forward to hearing from you at hallo@weniger-ist-mehr.org.



Funding partner

In the following text, we use the terms "**funding partner**" or "**partner**" to refer to the funded organisations/projects. We prefer to use these terms rather than "beneficiary" or "recipient" because the partners play an active role and are not passive recipients of the funding. Since these are organisations and not persons, we refrain from using gender-neutral terms.

A question of attitude

This guide is all about concrete examples and advice for foundation work – but it is actually about much more. More important than sophisticated processes and innovative methods of funding is the attitude with which foundations and foundation staff enter into funding relationships. It is a constructive and sometimes humble attitude that runs like a thread through the following pages.

Power was and is always an essential component of foundation work. Talk of "equal footing" cannot hide the fact that some own the money that others need. This imbalance means that foundations (just like other public or private funding organisations) typically define the terms of funding unilaterally: They determine which topics are worthy of funding, which sums are made available, which conditions must be met, who decides on the allocation of the funds and which organisations are supported.

Time and again, foundations fill this role by imposing a range of conditions and requirements on the grantees to ensure that the foundation's purposes are fulfilled. However, there is evidence to suggest that these restrictions often have the opposite effect.

Contrary to what the word "beneficiary" implies, a funding relationship is not limited to a foundation providing money to another organisation. After all, the foundation gives the money with a specific purpose, namely to support issues or

people who are close to the foundation's mission. It is therefore a partnership for the benefit of third parties. In this partnership, the foundation would contribute money and sometimes also its knowledge or network, while the supported organisation makes its staff, know-how, structures, projects, etc. available. None of the partners can achieve the common goal alone, be it supporting disadvantaged children, promoting scientific talent or protecting endangered species.

In other words: As grantmaking foundations, we are only as good as the partners we support. The better they can do their work, the better we fulfil our purposes. It is therefore in the best interest of every foundation to enable the organisations it supports to concentrate on their work and do as good a job as possible.

This understanding of foundation work is the basis of the following guidelines. It is an attitude that is characterised by trust, appreciation and respect and recognises the funded organisations as experts.

Foundations have the freedom to design their processes as they see fit. We should use this freedom by promoting innovation; for example, through more trust, through long-term commitments or through advice and support. In this way, we create added value that can multiply the impact of our foundation funds, which are still modest compared to public or corporate budgets.

1. Grant applications: How foundations can design a fair application process?

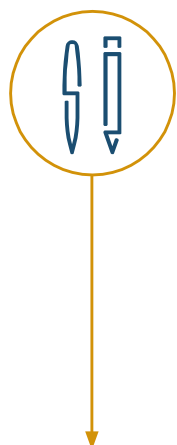
The funding application is often the first contact between a foundation and its (future) grantees. This step shapes the entire subsequent cooperation and should therefore be designed with appropriate care.

For those who apply for funding, applications to foundations primarily mean countless hours of working time, which they have to raise and finance themselves – According to the Swiss **"Grantee Review Report"**, these efforts average between 32 and 63 hours per application. A **study from Great Britain** comes to the conclusion that the real costs for the applicants and the foundations are so high that they exceed the actual funding amount in almost half of the cases.

It is therefore hardly a coincidence that many fundraising organisations often first think of bureaucratic hurdles and an elaborate jungle of formalities when they think of "foundation funding". In addition, complicated application forms can be a hurdle that prevents certain individuals or organisations from submitting an application at all.

It is up to the foundations to simplify administrative processes in order to bring the effort for the application into a reasonable relation to the funding amount. The following chapter invites reflection on how grant-making foundations can deal with their responsibilities in order to make both the application and the approval process fairer, leaner and more participatory.

Numerous practical examples illustrate how foundations have already developed their work through attitude, openness, research and cooperation. Answers to many questions often emerge in dialogue with the funding partners – but also in the exchange between the funding foundations.



Minimum legal requirements / Germany

There are no mandatory legal requirements for the application process – not even that there has to be an application at all. However, exceptions confirm the rule, for example when funds are transferred from other institutions or the public sector. In such cases, a formal application process is often a prerequisite.

Since the foundation's board is responsible for the allocation of funds, it must be in a position to prove that the foundation funds have been used in accordance with the statutes. The source of information for this can be an application, an interview or other research.

Minimum legal requirements / Switzerland

In principle, there are no legal requirements for the application process. Insofar as the foundation's charter does not contain any specifications in this regard, foundations are completely free to decide how they design the application process.

To this end, the **Swiss Foundation Code (SFC)** formulates a series of guidelines to be followed:

- "The Foundation shall endeavour to ensure that potential beneficiaries have unhindered contact with it. The responsible contact persons and the formalities, conditions and deadlines required for the application shall be indicated. Applicants shall be facilitated in their application by being well informed or by being able to inform themselves. The principle of equal treatment shall be observed." (SFC, Recommendation 18)
- To avoid "unpredictable" decisions and the "accusation of arbitrariness", the application process should be "designed on the basis of funding guidelines and with transparent and clear procedures". (SFC, Recommendation 18)

NB: The "Swiss Foundation Code" formulates good governance guidelines for foundations. It makes recommendations, but not mandatory provisions.

What should foundations consider when designing their application process?

Do no harm

"Do no harm" is an important principle for foundations – after all, they want to help and do no harm.

// In terms of the application process, this means that foundations should try not to make more work for (potential) applicants than necessary, because every hour that someone from a non-profit organisation invests in an application is an hour that is lost for the common good. So: Are the funding criteria clear enough for applicants to realistically assess their chances of success? Is the cost of an application in reasonable proportion to the amount of funding? Is all the information requested really necessary to be able to make a sound decision?

// Do not raise false hopes. If your foundation does not want to fund an application – for whatever reason – then cancel it promptly and bindingly. Nothing is worse than stalling applicants or forcing them to invest even more work in an application by asking more and more questions. It is simply unfair to raise hopes and tie up resources in this way instead of saying "no" clearly and unequivocally.

// Furthermore, grantmakers should always ask themselves: to what extent are we supporting external dependencies and perhaps hindering initiatives for self-help? Are we letting authorities off the hook? Are we possibly leveraging out neighbourly support structures? Here too, answers develop through dialogue.

Before the application: Achieving more impact through dialogue

Organisations that are already "application professionals" often come out on top in funding competitions. However, small and inexperienced organisations often need the money from foundations much more urgently. Foundations that primarily want to reach small, local initiatives should make their application process as low-threshold as possible. Ideally, the relationship between funding partner and funding foundation begins even before the formal application.

// Talks and preliminary checks are helpful for both sides. Some foundations even make a preliminary telephone conversation a condition for a funding application. If the foundation actively engages in dialogue with non-profit organisations (NPOs), it gets to know the leadership, creates empathy and receives information about current needs. At the same time, it can provide information on its own goals and actively support the project planning of the funding partner.

// Such an approach requires resources on the side of the foundation – of which time is certainly the most important. However, if this investment of the foundation leads to the foundation receiving better applications, then the investment is worthwhile.

// Many foundations also ask applicants to submit a short project outline before submitting a full application. Especially for foundations that receive many applications, this two-step procedure saves a lot of effort on all sides and makes it possible to provide timely feedback. The project outlines are a good and low-threshold starting point to a more intensive discussion between the foundation and the (prospective) funding partners.

Plan research well

There are countless ways in which foundations can find the right funding partners – from discreet research to elaborate public calls for proposals. Through the choice of the approach, foundations can control not only the number but also the quality of applications. It is therefore worthwhile to intensively address the question of how to approach potential funding partners.

As a general rule, the ratio of submitted applications to approved grants should be around 3 to 1. Fewer applications limit the foundation's choice too much, while significantly more applications entails unnecessary work for the foundation and especially for the rejected applicants.

// Open calls for funding make sense in order to act transparently and to find partners beyond "one's own bubble". In addition to existing project partners, a call for funding can also be shared via newsletters and networks to draw the attention of other NPOs to your funding.

// Especially if the foundation has relatively concrete ideas, it can dispense with a public call for proposals and instead research potential funding partners itself and approach them directly. This saves time and effort and leads directly to the goal.

// Another creative idea is a kind of "Beauty Contest", where selected organisations pitch for funding – in person or via video.

// In principle, it is always worthwhile to build on the due diligence and funding recommendations of other foundations.

// For smaller foundations, joining existing funding alliances or joining other funding partnerships as co-sponsors may be an option.

Question your own application process

// Is the application form meaningful and understandable for the project promoter? If you fill out your own application form, you will certainly find some answers. The goal is to find out what is really important in order to create a sound basis for the funding decision.

Applications that are as low-threshold as possible help not to exclude anyone (e.g. with regard to language skills).

// In order to scrutinise one's own processes and gather feedback for the next call for proposals, a workshop with previous grantees can be organised. An online survey can also be created quickly and gives funded organisations the opportunity to provide anonymous feedback on the application process and the cooperation with the foundation.

// Conclusion: Listening is important.

Foundations can make use of the knowledge and experience of their funding partners by actively involving the organisations in the further development of their funding strategy and application processes.

saying "no"

// In principle, every organisation that submits a funding application should receive a feedback. This not only creates clarity on the part of the

applicants, but also strengthens the image of the foundation sector.

// There is nothing to be said against answering random applications, which may not even fit in with the foundation's funding areas, with a friendly standard reply.

// In the case of applications that basically fit the Foundation's profile, but cannot be funded for other reasons, the Foundation has to weigh things up: Of course, it can be very helpful for the applicants if they receive advice on how the project and/or the application could be improved. However, if a foundation receives many applications, this can take up considerable resources. In addition, such advice can sometimes be perceived as intrusive (unless a reworking of the application is accompanied by the chance to resubmit the project).

// If the foundation has an application that it finds very convincing in terms of content but is unable to fund itself, it may well be worthwhile in individual cases to help actively (but not financially): for example, with recommendations on how to improve the project or the application, with references to other foundations for which the application may be of interest, or perhaps even by the foundation itself approaching other foundations from its network and arranging a contact.



Literature tip

In their book "Noise: A Flaw in Human Judgment", Daniel Kahneman, Olivier Sibony and Cass Sunstein make clear how much random factors and biases influence our decisions. Foundations can also learn to understand and deal with this "noise" in order to make better decisions.

Examples from the field

Dialogue-based and lean application processes

- The **Niedersächsische Lotto Sports Foundation** expressly asks for contact to be made before an application is submitted: "Please seek advice from our office staff before submitting an application. An application can only be submitted after a personal consultation." The foundation has also produced a short **video** explaining the application process and criteria.
- The **Großes Waisenhaus zu Potsdam Foundation** offers a telephone consultation before a written application is submitted. Applicants can present their project in a short email after the consultation, which the project team first discusses and prechecks.
- The Braunschweig Foundation formulates the principles of its project funding in a **practical guide** and calls for dialogue.
- In a first step, applicants submit only a brief outline of their project to the **Monom Foundation for Change**, describing the main contents as well as the costs and funding amounts. Only if the foundation sees a real chance for the application on this basis does the organisation submit a full application.
- **The NORDMETALL Foundation** does not accept applications and instead asks for a discussion to clarify the common goals. Funding is approved on the basis of a short concept of no more than two pages, which is formulated in the funding decision for projects.
- During the Corona pandemic, the **Rudolf Augstein Foundation** refrained from asking for written applications as part of its emergency aid and instead held talks with potential funding partners. The basis for this was its own research as well as discussions with colleagues in order to proactively approach suitable organisations.
- The **Arcanum Foundation** awards grants with rolling planning. Funding is committed for several years, but the specific planning is jointly agreed at the beginning of each year, so the initial application can be very lean.



Get involved!

Do you know of any other examples of how foundations organise the application process fairly? Then please let us know so that we can add to the collection on the website **www.weniger-ist-mehr.org**: **hallo@weniger-ist-mehr.org**.

Use synergies

- If different foundations are active in the same field of activity, it makes sense to combine the processes and launch a joint call for projects. This saves the foundations a lot of work and allows grantees to reach several foundations at once with a single application. One example is the **Hamburger Spielräume** fund of **the BürgerStiftung Hamburg**, in which 17 foundations have joined forces to support projects in open child and youth work in Hamburg.
- The **Light Foundation** often invites applicants to submit proposals that they have already developed for other funders. On this basis, the Foundation enters into further discussions.



#ImpulseStiften

If you are interested in pooled funds, we recommend the call from the 27.4.2021: **Common funding pots - a model beyond the crisis?**

Would you like to know more about how foundations decide on funding? Then listen in to the call **"Innovative procedures for project selection"** in the webtalk #ImpulseStiften from 22.2.2022.

Shape funding decisions in a participatory way

- The **BürgerStiftung Hamburg** has a body of young people to decide on projects. The council members decide for themselves on the funding of climate and environmental protection projects initiated and carried out by young people in Hamburg. The foundation provides them with their own funding budget for this purpose.
- The Heinrich Dammann Foundation (**Youth Crew**), the **Children's Advisory Council** of "Children for a Better World", the **Girls' Advisory Council** of the HiL Foundation and the **Youth Council** of the Kreuzberg Children's Foundation act in a similar way. By involving people who themselves come from the target group, the decision is not only fairer, but also better.
- In addition to a girls' advisory board, filia.die frauenstiftung also has an **advisory board of migrant and refugee activists**. It consists of ten women with a migration background who advise filia on funding decisions and the further development of the programme.
- At **FundAction**, activists decide for themselves. The declared aim is to shift power with the decision on funding, to strengthen cooperation between the participants and thereby build capacity.

- At the **Kultur Komitee Winterthur**, an honorary award committee, whose members are drawn at random from the population of Winterthur, decides on applications from cultural practitioners. The Foundation for Art, Culture and History provides CHF 500,000 for each event organised by the Cultural Committee.
- In the "Experiment!" funding line of the Volkswagen Foundation, projects are not only selected by an independent jury, but also drawn by lot from the eligible applications that match the programme objective (**partial randomised procedure -lottery and peer review**).



Contact persons

We look forward to talking to you "live" about the application process and applications. A number of foundation colleagues will be happy to answer your questions.

You can find the relevant contacts under the heading "Applications" on the website www.weniger-ist-mehr.org

2. Reports: How foundations can use reports in a constructive way

Reports are needed to create transparency and accountability. Reports can also help foundations to better understand funding partners, activities and thematic areas. They allow impact to be captured and successful practices to be documented and shared. In addition, reports can help validate strategies and assumptions and identify mistakes from which to learn for the future.

In reality, however, foundations often request information that is of little relevance and/or is not used. In the worst case, long reports are written with a lot of effort that are not read or not used further. 31 hours were invested on average in reporting by funded organisations surveyed in the 2019 Swiss **Grantee Review Report** – per grant! If grantees receive money from several foundations and funding institutions, they may spend several weeks per year on reporting. Does that (always) make sense?

In this chapter, foundations receive practical advice on how to organise their reporting in a targeted manner and efficiently for all sides. The key questions are: What is important, why and for whom? Is it about control or is the goal shared learning? How can reported knowledge be shared? Is there always a need for a "tailor-made" report – or can foundations draw on resources that are available anyway? The explanations are supplemented with concrete examples from practice – from purely oral reporting to foundation consortia – so that theory and practice are directly intertwined.



Minimum legal requirements / Germany

If a foundation provides funding to a non-profit organisation, it is sufficient to provide proof of the non-profit status of the other organisation (e.g. by means of a notice of exemption) and a confirmation that the money has been received (e.g. receipt, e-mail). There are also no formal legal requirements for reporting. Foundations can therefore in principle dispense with reports altogether. Exceptions to this rule may exist if (public) funds are passed on.

If the statutes of the foundation contain more precise requirements for the realisation of the purpose, a report should show that these have been fulfilled. However, this can also be done by referring to the appropriate application when granting the funding and by the recipient organisation confirming that the funds have been used accordingly. This information can also be obtained from a report that was not specifically prepared for the foundation (e.g. annual report, impact report, etc.).

Minimum legal requirements / Switzerland

There are no legal minimum requirements for reporting. The foundation charter or by-laws may stipulate requirements for the accountability of project partners. Accordingly, reporting requirements may differ from foundation to foundation.

In principle, foundations or their organs have to accompany the funded projects or organisations, monitor them and check their impact.

With regard to reporting obligations, the **Swiss Foundation Code (SFC)** states that reports must be part of a regular quality control:

- "This [quality control] should be proportionate to the contributions granted". Also, "the effort for impact measurement must be justifiable in relation to the funding amount". (SFC, Recommendation 19 & 20)
- For the sake of transparency and predictability, "the quality control requirements should be specified in the grant agreement". (SFC, Recommendation 19)
- In addition to quality control, the information from funded projects also serves for internal learning: "From the project monitoring, the foundation draws conclusions on its funding strategy, the effectiveness of the funds used and the funding criteria". (SFC, Recommendation 19)

NB: The "Swiss Foundation Code" formulates good governance guidelines for foundations. It makes recommendations, but not mandatory provisions.

What should foundations consider when defining reporting obligations?

Check reporting expectations

In the spirit of "less is more", foundations can use the following three steps to check how much reporting they need and want:

1. Do we need written reports? If so, what for? Who will read the report and work with the results? Are there funding levels below which we can do without reports?
2. If we need reports: Can we use formats and reports that the partners produce anyway for other contexts (e.g. annual reports, financial statements, Social Reporting Standard, reports to other donors)?
3. Can oral conversations at least partially replace written reports? An hour of conversation will often provide more insight than an hour of writing and reading a report.

The following recommendations can help to make reports time-saving and informative for both sides. Ideally, the foundation and funding partners should jointly design the structure, content and frequency of the reports.

Only ask for relevant information

// Clarify priorities: The most important purpose of data is that it helps the funded organisation to manage its projects and activities. It is therefore advisable to develop a meaningful internal reporting with the organisation, which the foundation can then also access.

// Reasonable indicators: Foundations should always be guided by what data partners (can) collect, instead of asking for new numbers that have no relevance for the organisation. The definition of the indicators to be reported on should be done jointly so that it makes sense for both parties.

// Few meaningful figures: Reports should not list as many key figures as possible, but only a few that are meaningful and relevant to the common goal.

// Think application and reports together: Information that does not change does not need to be provided repeatedly.

// Templates or forms only if they reduce additional work: Pre-defined forms run the risk of placing a considerable burden on partners if they have to present the same information in different formats for different donors. Templates help when few, concrete questions are asked. In addition, templates or forms are often particularly helpful for smaller organisations

that lack the application and report writing skills.

// Word or page limits can help to make reports effective.

Only report at relevant times

// Reasonable intervals: The reporting rhythm is chosen according to when results change in a visible and relevant way.

// Synchronise timing and format: It is a great relief for grantess that are funded by different foundations to be able to produce a "one for all" report, instead of having to summarise the current status of the project again and again. Ideally, all funding institutions involved in the funding should agree on a uniform reporting period (and format).

Thinking about further use

// What does the foundation need the information for? Are there any questions or format requirements that help partners in reporting?

// If the Foundation wishes to use certain information or sound bites from the project reports for its own annual report, this must be agreed with the funding partners.

// Important findings can be shared internally, e.g. in the Foundation's project management tool, so that everyone (even those who have not read the report) knows the status quo and current challenges at a glance.



#ImpulseStiften

Would you like more input on how to make reports on funded projects more constructive? Then listen in to the call **"Reporting Season: From Administrative Act to Learning Journey"** in the Webtalk #ImpulseStiften from 22.3.2022.

Create a culture of error

// Let's face it: if a funding partners want to hide problems in a project from the foundation, they will most likely succeed – at least until it is too late. The best risk control is therefore not a rigorous audit, but a good and trusting relationship.

// Only if grantees can be sure that funding will not be terminated in the event of problems, can a culture of error develop in which problems and challenges are openly addressed. For the Foundation, this is extremely important; far beyond the project in question. The learnings from one grant will certainly soon prove helpful for the assessment of another project.

// When it comes to confidence-building measures, the ball is clearly in the foundations' court: They have to signal that they have a shared interest

in the project and see mistakes as a common challenge. This also includes the willingness to pay out promised funding installements on time, even if the report reveals problems (as long as the overall implementation is not in question).

Thinking about funding partnership in two directions

// Questions on development steps, lessons learnt and support needs can help foundations to better understand needs and improve their own processes.

// No report without feedback! Every report should receive a response that is more than an acknowledgement of receipt, be it with an email or a short conversation. Follow-up questions, praise and acknowledgements show appreciation and interest in learning. This is how reports can shape a trustful and constructive partnership.



Literature tip

Others have also thought about how useful reports can be and what questions you should ask yourself as a grantmaking foundation. To complement our tips and tricks already mentioned, here are two good insights on the topic from the **Center for Effective Philanthropy** and from the "PEAK Grantmaking Journal Issue 13: **Revisit Reporting**".

Examples from the field

Reconciliation of reporting obligations

- The **Rudolf Augstein Foundation**, the **Mercator Foundation Switzerland** and the **Vector Foundation** coordinate their reporting with other donors of a given grant program, so that grantees would only have to produce one report for all participating foundations. The coordination process is carried out by one of the foundations on a voluntary basis.
- The **Schöpflin Foundation** and the **Rudolf Augstein Foundation** use foundation consortia to give all (larger) donors an insight into the activities of the funded institution. The structure is flexible, but where possible, the regular round table discussions replace written reports that would have to be prepared for the individual foundations. Feedback is also given at the meetings and together they consider what challenges are currently being faced and how the foundations can help.

Use low-threshold and interactive formats

- For the reporting of the **Jugendstil* Ideas Fund** of the **Citizens for Citizens Foundation**, an Instagram video or a blog post by the funded initiative is sufficient to present in a comprehensible way how the idea was implemented and how the funding was used. In addition, there are networking events for the funding recipients to exchange experiences and report on their idea.
- The **Mercator Switzerland Foundation** increasingly uses oral and interactive reporting formats. Selected funding partners report to the Foundation in short input speeches on impact and learnings, and the findings are discussed. In addition to the Foundation's office, external guests are sometimes invited. For documentation purposes, the Foundation itself prepares a pragmatic protocol.
- The **Vector Foundation** uses milestone talks with a short PowerPoint presentation, online, at the foundation's office or on site. Invitations are extended to donors, foundation staff and grantees, but also to other funding institutions, stakeholders and interested parties. Depending on the complexity of the project, the preparation of the meeting is supplemented by a short report from the funded institution. No reporting is necessary for smaller projects.



Get involved!

Do you know of other examples of how foundations use reports constructively? Then please let us know so that we can add to the collection on the website www.weniger-ist-mehr.org: hallo@weniger-ist-mehr.org.

Oral reporting

- The **Foundation for Art, Culture and History**, the **Azurit** Foundation and the **Entrepreneurial Foundation for Equal Opportunities** only use oral reports. In discussions, a common understanding of the project is developed and trust is built up. All participants are spared unnecessary effort and misunderstandings are avoided. The three foundations have jointly developed a guideline and a questionnaire for discussions with funding partners: www.oralreporting.info.

Thinking ahead about use

- Under the motto "Public Understanding of Science", the **Gebert R f Foundation** offers the funded researchers training to stage their project on film and produce an impact clip. The clip is submitted with the final report and used by the project team and the Foundation to scale the project on social media.



Contact persons

As we are very concerned about the topic of reports, we are looking forward to talking to you "live". A number of Foundation colleagues are happy to answer your questions. You can find the relevant contacts in the "Reports" section of the website www.weniger-ist-mehr.org.

3. Project restrictions:

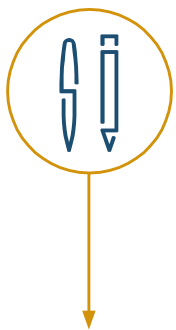
How foundations can provide flexible funding

The vast majority of foundations in German-speaking countries provide program-related funding. According to the Swiss **"Grantee Review Report"**, this applies to over 95 percent of all grants. For a clearly defined project, the grantee organisation is provided with funds for a fixed period of time, which may only be used for the pre-defined purpose. This makes organisations inflexible and can lead to them losing sight of their actual goals because new, innovative "projects" have to be launched all the time to keep the organisation alive. In addition, the application and reporting obligations associated with project-related funding lead to an immense amount of work.

In contrast, there is an increasingly discussed funding model in which organisations receive unrestricted funds that they can freely dispose of. American philanthropist MacKenzie Scott, for example, has donated over 10 billion US dollars to hundreds of NGOs in the USA since 2019 – without applications, without restriction and for free use because, as she says, the NGOs are the true experts who know best where the funds are needed.

Between "unrestricted funding" of this kind and a rigid project restriction on the other hand, there is a large continuum of possibilities for how funding relationships can be designed. Foundations have the possibility to act flexibly and find the appropriate form of funding; ideally in consultation with the grantee. Some organisations benefit from closer monitoring; in other cases, trust-based funding is a learning process for all involved. Foundations have found that this is not at the expense of effectiveness – often quite the opposite, because the capacities of the funded organisation are channelled into what is really necessary. Foundations and foundation staff change their self-image in the process: they become enablers and supporters of those who work towards the common goal.

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Minimum legal requirements / Germany

Under tax law, foundations may donate their funds to other organisations as long as they are tax-privileged. The purpose of the other organisation does not have to be wholly or partly identical with the foundation's own purpose. This regulation makes it much easier for foundations to provide funding without a specific purpose, because the foundation no longer has to ensure that its funds are used for a specific purpose.

Under civil law, the board of a foundation are bound by the articles of association, in particular by the purpose of the foundation. In addition, the articles of association can also contain binding regulations on how the purpose is to be fulfilled, for example by expressly permitting only project or start-up financing. Insofar as the articles of association do not regulate details, it is the task of the boards to decide which way of realising the purpose best corresponds to the founder's will. In doing so, they have a broad discretion, which is covered by the "Business Judgement Rule".

Minimum legal requirements / Switzerland

To which beneficiaries, in what manner and to what extent the foundation provides services is determined by the specifications in the foundation charter or by-laws. In the case of tax-exempt foundations, the conditions relating to support activities (general interest, altruism) stipulated in the "circular Nr. 12" of the Federal Tax Administration of 8 July 1994 must also be observed.

Within these guidelines, it is at the discretion of the board of trustees to choose the most suitable form of funding to be chosen. According to the **Swiss Foundation Code (SFC)**, this can be project-based or institutional funding à fonds perdu or even investment-based financial contributions such as "(interest-free) loans or the acquisition of shares in the beneficiary's equity", i.e. forms that are not tied to specific projects or activities per se. (SFC, Recommendation 16)

NB: The "Swiss Foundation Code" formulates good governance guidelines for foundations. It makes recommendations, but not mandatory provisions.

What should foundations bear in mind when thinking about restrictions?

As much control as necessary, as much freedom as possible

Many foundations have the impulse to impose the strictest possible requirements on their grantees and to generally relate funding to specific projects or activities. Project restrictions may be justified in individual cases, but often they are rather obstructive and create unnecessary bureaucracy.

// For each grant, foundations should consider how many conditions are really necessary to protect the interests of the foundation. If there are no valid reasons for strict requirements, grants should be agreed upon as flexibly as possible.

// earmarking or project commitments may be justified, for example

if a foundation is only active in a certain city and supports an organisation there that is also active nationwide. Even if foundations only want to support individual activities of particularly large organisations, it can make sense to agree on a joint project commitment. In these cases, a flexible program-related commitment is helpful to allow for a good partnership..

// When funding smaller organisations that have only one or two core activities anyway, foundations should avoid earmarking or project restrictions altogether, if possible.

Select projects well

The be-all and end-all of funding is a thorough assessment of the partners and their projects.

// Foundations often invest many hours in reviewing project proposals – shouldn't one then trust the results of one's own research and give the partners appropriate freedom in the implementation?

// A thorough and appropriate assessment at the beginning of a grant builds trust for both sides. Donors are reassured that their money is being well spent, and it is subsequently easier for them to trust grantees and to dispense with comprehensive control mechanisms. In turn, those who receive funding are more likely to dare to speak up about their needs.

Oriented to need

Foundations rightly attach importance to aligning their funding with societal needs. However, it is equally important to consider the needs of the partner organisations so that they can work well and efficiently.

// Is program-related funding the kind of help the organisation needs right now? Maybe hiring a person for fundraising or training helps more than starting a new project. Seek direct conversation and acknowledge honesty – it builds trust.

// Only stable organisations can work successfully. So do not (only) promote projects, but also the organisations – partially or completely.

By the way, overhead costs are a sign of serious non-profits. A flat rate for overhead should therefore be a matter of course.

Plan for the longer term

// Do you also only fund the classic three years? But why should successful projects that have a long-term impact only receive short-term funding? Longer or repeated funding enables organisations to plan better and reduces the need to acquire funding. This gives them more time to make an impact.

Make program-related funding flexible

There are always good reasons why foundations award grants for specific projects. In these cases, too, foundations can help to avoid unnecessary effort.

// Unless stipulated in the foundation's statutes, foundations should absolutely refrain from taking over only individual budget lines or only certain types of costs (e.g. "only material costs"). If project-related funding is provided, then the funding should be included in the project budget without further conditions.

// Smart organisations constantly adjust their projects – either because they learn and improve their work, or because the environment changes. If you as a foundation provide project-based funding, you should therefore create a flexible framework for rededications, allow for goal adjustments during the course of the project and proactively offer further support in times of crisis.



#ImpulseStiften

"Project funding - the source of all evil in the foundation world? "
was the leading question of the webtalk #ImpulseStiften on 22.6.2021. Feel free to listen in!

Examples from the field

Means for independent learning

- The **Robert Bosch Stiftung** provides resources for the development of new ideas and approaches without this being linked to a concrete project: the development can lead to a project, but can also be discarded. The aim is to give organisations the freedom to find potential solutions that would not come to light through traditional project funding.
- **The Light Foundation** lets partners decide what to promote. Only then are goals defined.

Leadership via target agreements

- The **Liselotte Foundation** awards multi-year unrestricted grants. Because free does not mean non-binding, the Foundation makes target agreements with the partners at the organisational or programme level, which then form the basis of the reports.
- Since 2021, the **Arcanum Foundation** has been supporting its partner organisations in Fribourg/Switzerland with unrestricted grants. Since these are medium-sized grants, the foundation hopes to increase the impact because the partners have less effort and more flexibility. The foundation agrees on goals with the partners, which are regularly discussed and adjusted if necessary.



Get involved!

Do you know of any other examples of how foundations provide flexible funding? If so, please let us know so that we can add to the collection on the website www.weniger-ist-mehr.org:
hallo@weniger-ist-mehr.org.

Resources for impact goals

- The **Entrepreneurship Foundation for Equal Opportunities** supports partners for at least five years with unrestricted funds. The focus is on jointly defined structural impact goals in the areas of education, participation and health. Instead of key figures, lessons learned and new needs are discussed once a quarter in structured talks.
- The **NORDMETALL Foundation** awards institutional funding to organisations that pursue common goals (e.g. youth projects at music festivals or initiatives working with volunteers).

- The **Max Kohler Foundation** is convinced that cultural institutions can sustainably inspire children and young people for the arts if outreach is lived as an attitude throughout the organisation and understood by the management as an integral part of the work. The foundation therefore awards unrestricted grants to cultural institutions that follow or would like to follow this path in an exemplary manner.
- The **Azurit Foundation** supports young African organisations in particular. Flexibility is important in the initial phase and unrestricted funding is even less available to organisations in the Global South than in Germany. After a very extensive review, funding is therefore made available as flexibly as the legal requirements allow. As a rule, there is even no need to submit an application or agree on objectives.
- The **Hans Weisser Foundation** often uses a temporary start-up support to get to know the grantee before the support is transferred into a longer-term structural support. However, there is no standard model of support – the choice of the appropriate form is always based on the question of how the idea can best be brought to fruition and what the respective initiative really needs.

Funds for organisational development

- "What is your next development step as an organisation?" With this question, **Olin gGmbH** enters into conversation with funding partners and agrees which area of the organisation is strengthened. In annual meetings, the partners discuss whether the measure is successful and change it if necessary. The aim is to improve the effectiveness of the organisation.
- Further tips and examples of how to strengthen partner organisations holistically can be found in Chapter 5 "Providing more than money".



Contact persons

As the topic of Unrestricted Funding is very much on our minds, we are delighted, to talk to you "live". A number of Foundation colleagues will be happy to answer your questions. You can find the relevant contacts under the heading "Project links" on the website www.weniger-ist-mehr.org.

4. Grant agreements: How foundations can arrange funding in an uncomplicated way

Once a decision has been made on a grant, a legal relationship is established between the foundation and the organisation receiving the grant. In the simplest case, the foundation transfers money to the organisation's account and obtains confirmation that the funds will be used for the organisation's charitable purposes. At the other end of the spectrum are elaborate funding agreements with intermediate goals, conditions, guarantees, milestones, ancillary provisions and a host of annexes. The amount of paper work involved can be increased almost at will.

Apart from the costs of a legal or tax audit, the negotiation of detailed agreements costs time and nerves and, in the worst case, can poison the atmosphere of cooperation in the long term. On the other hand, agreements create commitment, which is worth its weight in gold for the funded organisation if it wants to hire staff on this basis. In the case of multi-year funding, agreements help to keep track of which amounts have been committed and for when. And the negotiation of agreements can create a level playing field if both sides can get their way.

The guiding principle should be: regulate as much as necessary, but as concisely as possible. Agreements do not solve problems between organisations or people. At best, they serve as a reference to what was agreed upon in advance and regulate a procedure for solving problems. But no contract protects against a project not going as planned.



Minimum legal requirements / Germany

There are no mandatory legal requirements for funding agreements – not even that there has to be one at all. Exceptions may apply if funds are passed on from other funders or the public sector; then the conditions for this re-granting apply.

Minimum legal requirements / Switzerland

There is no obligation to conclude funding contracts. In many cases, however, it is advisable to conclude such agreements. Significant contracts – which may also include funding agreements – must always be concluded by the foundation council, which requires a corresponding resolution by the foundation council.

According to the **Swiss Foundation Code (SFC)**, the grant agreement shall in particular include regulate the following areas:

- "Conditions, especially program-related restrictions;
- substantive milestones/intermediate goals;
- disclosure and reporting requirements ;
- further conditions
- obligation to name the foundation". (SFC, Recommendation 19)

NB: The "Swiss Foundation Code" formulates good governance guidelines for foundations. It makes recommendations, but not mandatory provisions.

What should foundations bear in mind when they want to arrange funding?

Is a contract necessary?

Not every grant needs a grant agreement. It therefore makes sense to check in each individual case whether a contract is necessary and helpful.

// If the funding is not restricted to a specific program, the "homework" should be done beforehand. Is the organisation a non-profit organisation and does it meet the foundation's funding requirements? Then a friendly letter, a bank transfer and a confirmation of receipt from the organisation with a copy of the exemption certificate for your own records are sufficient.

// Even in the case of earmarked funding, a letter of approval is usually sufficient, for example with reference to the application documents.

// For larger and/or longer-term projects, agreements can be useful – also to give the organisation more security.

less is more

Agreements can create clarity. Nevertheless, foundations should critically examine which aspects of the funding relationship are so important to them that they absolutely must be regulated.

// Especially with regard to possible sanctions, the Foundation should consider: What can happen in the worst case? And what options do we have then? If the funding partner does not comply with the agreement, foundations usually have only one realistic option: to terminate the agreement and, if necessary, to reclaim any unspent funds. Funds, which the organisation has used, could in principle also be reclaimed – for example in the case of improper use. However, this will seldom be successful (as the money is already gone) and a legal dispute will seldom bring anything except costs. Legal action can only be taken in serious cases of fraud – also to deter imitators.

// Bad experiences from individual cases in the past often lead to a provision being included in the next agreement. Over the years, the template then grows and grows – until no one in the organisation knows why these regulations are in the contracts in the first place. Foundations should beware of this.

Finally, some general tips:

// Only write and adopt what you understand yourself.

// If necessary, define particularly important terms. (Example: What is a "new target group" for a museum? People who have never been to the museum before – or people who would otherwise be go to other museums?)

// Put yourself in the shoes of the organisation – is the arrangement fair and realistic?

// Avoid unnecessary effort. Trying to regulate every conceivable problem leads to unreadable small print.



What belongs in a funding agreement?

In the section "Funding Agreements" at www.weniger-ist-mehr.org you will find a detailed explanation of which points should be regulated in a funding agreement.

Examples from the field



Get involved!

Do you know of any other examples of how foundations arrange funding in an uncomplicated way? Then please let us know so that we can add to the collection on the website www.weniger-ist-mehr.org: hallo@weniger-ist-mehr.org.

- The **Max Kohler Foundation** only concludes grant agreements for larger grants (from a volume of CHF 50,000).
- A foundation can also formulate its funding conditions in general terms (quasi as general terms and conditions) and make them the basis of the funding already in the application process.



Patterns and templates

On the website www.weniger-ist-mehr.org we have compiled a number of sample grant agreements.

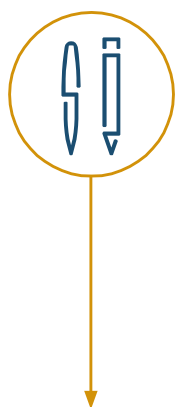
5. Providing more than money: How foundations can strengthen the resilience of their partners

Money alone does not make you happy. This fact is just as true in real life as it is in funding relationships. But all too often foundations and funding partners focus on the most obvious avenue of support. Although financial support can undoubtedly make an essential contribution, monetary resources are also limited in their impact.

In order to create efficient, independent and truly sustainable structures, foundations should therefore examine whether they can provide complementary forms of support – as long as the funding partners are in favour of these offers. The spectrum of support knows no boundaries. It ranges from access to networks to the provision of training and counselling services to advocacy for the common cause. It is important that non-monetary needs are elicited in dialogue with the funding partners. In this way, the tension that exists between well-intentioned advice and encroaching influence can be countered.

Foundations also benefit themselves when they broaden their funding horizons. On the one hand, they are offered other ways of getting involved where their financial resources are limited. On the other hand, they make an important contribution to the professionalisation of their funding partners and thus, in the long run, to the entire civil society sector through offers of knowledge and competence development. In addition, they can act in a more targeted manner due to the greater proximity to their funding partners and thus better knowledge of their real needs.

This chapter outlines what is important in this type of support and uses practical examples to show what foundations can offer their funding partners.



Minimum legal requirements / Germany

Under non-profit law, foundations may support other non-profit organisations through direct financial support, but also through advice, contacts or the provision of other resources – for example, with interest-free, subsidised and/or unsecured loans.

Under civil law, the board of a foundation is bound by the foundation's statutes. If the statutes do not contain any binding regulations on the type of purpose fulfilment, it is at the discretion of the board to choose the appropriate form of funding.

Minimum legal requirements / Switzerland

If the purpose of the foundation is only described in factual terms and the foundation deed does not specify how the purpose is to be implemented, it is at the discretion of the foundation council members (taking into account the applicable provisions in the individual case, including case law) to decide how the purposes are to be achieved – for example, through direct grants or through other, non-monetary forms of support.

The **Swiss Foundation Code (SFC)** states the following on the choice of the appropriate form of funding: :

- "The Board of Trustees examines which funding instruments are appropriate for the implementation of the strategy. In addition to the use of grants, it can also use instruments such as networking, competence development, community building or advocacy." (SFC, Recommendation 16)

Furthermore, the code contains an important caveat for the address of the foundation staff:

- "The more and the more closely foundation representatives are involved in the monitoring of a project, the more the foundation makes the project its own and the more personal the partnership with the beneficiaries becomes. Despite close cooperation, however, professional distance must always be maintained in order to avoid 'operational blindness'. (SFC, Recommendation 19)

NB: The "Swiss Foundation Code" formulates good governance guidelines for foundations. It makes recommendations, but not mandatory provisions.

What should foundations bear in mind when they provide more than money?

Check suitability

// If foundations support with more than money, it is important to do so in a reflective manner. If, for example, a foundation decides to offer capacity building or fundraising, it is necessary to undergo a critical self-analysis beforehand:

What are the strengths of your own foundation? How can it contribute wisely? The environment should also be examined more closely: What services are not yet available on the market and what do the funding partners expect from the foundation? Only if the offers are well-founded and target group-specific do they promise success.

// It is important not to overburden the funding partners with the offers, but to find out together what provides real added value and helps the funding partners. Foundations should bear in mind that non-monetary or indirect services can be costly and often tie up considerable human resources on both sides.

make or buy

// Giving "more than money" means that the funded organisation cannot buy this service elsewhere. The partner is therefore dependent on the expertise of the foundation. If the foundation instead gave

money, the partner itself could look for a consultancy that suits its needs. Therefore, it is necessary that the foundation listens very carefully to itself and sees whether it can offer the service in good quality or whether additional funding with money would not be more effective for all parties involved.

// Ultimately, every offer of a service that does not consist of money should be accompanied by the right to refuse this service. Ideally, the partner then receives the financial means to buy the same service externally.

Clarify roles

// Foundations often have experience with different projects and can offer a neutral view from the outside. As "critical friends", they can address challenges and offer support, but have to keep a balance between useful intervention and encroaching interference.

// The more a foundation engages with its funding partners with its know-how and network and, for example, helps to shape strategy processes, the closer it gets to its funding partners and the smaller its critical-constructive distance becomes. This dilemma of closeness and distance must be addressed in order to avoid a dependency developing between the foundation and its funding partners, which neither side usually wants.

Build trust

// Last but not least, it is important that foundations and funding partners meet in a fair and constructive manner – this requires openness and trust. Only in this way can funding with more than money be successful and only in this way can foundations also learn from their funding partners.



#ImpulseStiften

In the webtalk #ImpulseStiften on 30.11.2021, the topic was **"Strengthening Partners: Core Funding & Capacity Building"**. Two foundations present how they implement this strategy in practice. Feel free to tune in!

Examples from the field

Networks

Foundations are often network nodes and have contacts to very different actors in their fields of activity, such as NGOs, other foundations, companies, researchers and representatives of administration and politics. For funding partners, this network is a valuable resource that foundations can make available without much effort, either by networking funding partners with each other or by establishing specific contacts.

- For several years, the **Sophie and Karl Binding Foundation** has provided one of its most important funding partners, the LIFT youth project, with an employee as a board member. In this way, he or she can bring experience from other projects and his or her contacts directly into the organisation. An agreement stipulates that the employee represents the interests of the foundation in the event of role conflicts.
- The **Christoph Merian Foundation** makes its network available to its funding partners. It lobbies the government and parliament for various projects and institutions, acts as a door opener to other donors, makes staff available for board work and arranges cooperations.
- **Stiftung Mercator Schweiz** sees its network as a resource for its funding partners. It regularly establishes connections between partners, other foundations, scientific actors and others.
- The **foundation Mensch und Tier** supported several partners who carry out projects against genital mutilation in Kenya. Not all of these organisations knew each other. Already at the first network meeting, a common project idea became so solidified that it is now being developed by all organisations together: a campaign against circumcision with the help of film documentaries on the subject, which are shown with a mobile cinema in the most affected regions.



Get involved!

Do you know of other examples of how foundations support their partners with more than money? Then please let us know so that we can add to the collection on the website www.weniger-ist-mehr.org: hallo@weniger-ist-mehr.org.

Critical Friend

Foundations can be a "critical friend" to their funding partners and help them move forward with advice, external input and constructive criticism, for example on project ideas, fundraising concepts or strategy decisions.

It is particularly challenging when the foundation becomes aware of issues with its funding partner that the management or the team turns a blind eye to – for example, the miscasting of a position, unspoken disagreements within the team, the self-promotion of a programme or project that has repeatedly failed to achieve its goals, or looming financial difficulties. Is there enough trust on both sides to address these issues diplomatically? At the same time, those responsible on the foundation side may not know the whole picture or may be overlooking something. In these situations, it is important to stay on top of the issues with tact, but also with a certain tenacity. In doing so, one should neither ignore one's own gut feeling nor overestimate one's own competence. As a donor, a foundation is no friend like any other, and the line between helpful input and inappropriate presumption is often blurred.

- The **Foundation Tier und Mensch** helps its grantees to grow, both in terms of their project work and their ability to raise third-party funds to become more independent in the long term. A successful example was the involvement of the managing director of the Foundation in the strategy process of the funding partner **Aktion Regen** from Vienna – in the role of the "Critical Friend". In this way, trust grew among each other. At the same time, it put the funding partner in a position to assess what development to expect over the next five years.
- **Stiftung Mercator Switzerland** is in regular contact with longer-standing funding partners – even on difficult issues.

Fundraising

Investing in fundraising is particularly valuable because it helps to provide sustainable funding for partner organisations. Building fundraising expertise, staff and database systems takes time and money. Foundations can support this in a variety of ways. They can help support these investments, establish contacts with other foundations or make recommendations to enable partners to access further funding. Feedback on funding applications, which one comments on from the point of view of a grantmaker, is also very valuable in order to improve the chances of the next application to a foundation.

- Many foundations, e.g. the **Sophie and Karl Binding Foundation**, give their funding partners pragmatic tips on how they can find further donors.
- **The Hans Weisser Foundation** also sees itself as a door opener to its network of donors, for example by specifically approaching other donors or by forming foundation consortia.

- The Arcanum Foundation pursues the goal of building a stable network of services for people affected by poverty in Fribourg/Switzerland. In order to sustainably strengthen the local organisations, the foundation has set up the programme "**Soutien PLUS**", which provides partners with funds for fundraising, organisational development, software, consulting and more.
- In addition, the **Arcanum Foundation** issues letters of recommendation to its partners on request, which they can enclose with applications to other foundations. These letters have proven to be an inexpensive but very efficient aid.
- Other foundations have provided fundraising advice directly to individual funding partner organisations.

Awards

By awarding prizes, prize winners receive media and social recognition. Before deciding on a new prize, it should be weighed up: On the one hand, there is the possible visibility of the foundation and the laureate. On the other hand, there is the effort involved: should potential award winners apply themselves or will they be researched by someone? Who decides on the award – a jury, a team or a board of the foundation? How elaborate will the award ceremony be? And: How many prizes have already been awarded on this topic? Otherwise, the desired publicity effect may be less than the foundation hopes for.

- An example of this is the "Natur findet Stadt" project of the Naturama Aargau Museum, which received the **Binding Prize for Biodiversity** from the Sophie and Karl Binding Foundation and thus received greater media attention in leading daily and specialist media, for example in the fields of "horticulture" and "architecture". An award ceremony also strengthens the self-esteem of the award recipients.



Literature Tip Prices

Many useful tips on the planning and implementation of foundation
The publication by the Centre for Philanthropy Studies offers a wealth of information on philanthropy prices:

"Excellent! Prizes, Awards and Honours from Swiss Foundations".

Further education

Financing overhead costs is a major and constant problem for many non-profit organisations. Funds for consulting services or training are typically extremely scarce, especially when it comes to management topics – fundraising, impact orientation, organisational development, leadership, generational change or knowledge management. However, these topics are extremely important for crisis-proof and sustainable work. Foundations can be extremely helpful here if they offer further training – either with their own or external resources.

- Funding partners can apply to **Stiftung Mercator Schweiz** for funding for personal continuing education. The procedure is as unbureaucratic as possible and does not specify the content of the funded training. The greatest challenge is to communicate the offer to funding partners again and again, so that it is also can be used by them at the right moment.
- The **Gebert R  f Foundation** supports scientific research projects and offers participating researchers further training on the topic of "science communication" in order to strengthen their skills in communicating the content. In addition, the Foundation offers personal advice to project leaders and actively promotes networking among its grantees.
- The **Arcanum Foundation** offers its funding partners in Fribourg/Switzerland annual training sessions on specific management topics, which are conducted by an external consultant. The events serve both as further training and as a networking opportunity to exchange ideas with each other. As there was previously no French-language guide to non-profit management, the Foundation has also produced a "**guide de management pour organisations    but non lucratif**", which has been downloaded over 95,000 times from the Foundation's website since 2015.

Organisational development / coaching / capacity building

Funded projects and institutions often have an evolved structure, may work with people on a voluntary basis, have grown quickly or face other structural challenges. Coaching or the offer of organisational development can help funding partners to position themselves for the future.

- The **Christoph Merian Foundation**, for example, introduced development funding seven years ago. It supports grantees in organisation development processes – both financially and in terms of personnel. Consultations are outsourced or carried out by the Foundation itself, depending on capacity. The aim is to support the sustainable development of the funding partners through external know-how and to provide space and time for processes.
- As part of its "Dash through Prejudice" initiative, the **DFL Foundation** supported 36 projects from the 1st and 2nd Bundesliga football clubs for a year, to promote social cohesion.

The projects were presented to the public on a digital platform. They received needs-oriented funding and qualification offers to develop their own commitment. These included workshops on design thinking, communication, impact management and online fundraising, as well as pitch training to improve the presentation of their own project.

- The **Hans Weisser Foundation** finances coaching and consulting for its partners to support organisational development. It has also created the so-called HaWei Group, a networking format for its social entrepreneurial funding partners.
- The **Mercator Switzerland Foundation** has set up a coaching pool on the topic of impact orientation. From this pool, partners and applicants can obtain coaching services free of charge. This pool is currently being expanded to include other topics, initially communication.

Evaluations / Impact

According to a survey conducted by the Association of German Foundations in 2020, only 53 percent of the foundations surveyed regularly measure the impact of their projects (**Foundation Panel 2020: "Act. Have an impact. Measure?"**). Many lack the know-how or simply the time. Yet evaluations can be very important for further improving projects. They are also a great help in approaching and convincing other donors.

- In general, foundations should address the issue of evaluation in dialogue with their funding partners – not as a control instrument, but as an offer. If a foundation makes an evaluation a condition of funding, it goes without saying that it should also (co-)finance it.
- With the "Wirkometer", volunteers and organisations can independently determine where they stand and test how impact-oriented their work is. The free self-evaluation tool from **PHINEO** and the **DFL Foundation** is available at www.wirkometer.de and shows the strengths and development potential of projects. The scientifically based procedure focuses on target group identification, goal setting and impact analysis.
- The **Mercator Switzerland Foundation** offers further training on impact-oriented project work with basic workshops, an online guide (www.projekte-mit-wirkung.ch) and a coaching pool. The offer is primarily aimed at small and medium-sized NPOs. Many of them previously lacked a low-threshold introduction to impact orientation. This gap was closed by the offer, in which other funding agencies are increasingly participating.
- In order to keep an eye on the exit at an early stage, **The Light Foundation's** funding always includes investments for monitoring, evaluation and whatever the NGO deems relevant in order to get other funding institutions on board or to convince other actors of its own method.

Contributors

This publication was produced in the spring of 2022 in a collaborative writing process involving numerous individuals and institutions.

The **information and examples of** funding activities were compiled and prepared by:

Chapter 1: Funding applications

- Katja Wolf, Foundation Großes Waisenhaus zu Potsdam, Potsdam
- Kirsten Wagner, NORDMETALL Foundation, Hamburg
- Malte Schumacher, Philanthropy Consulting, Brunswick
- Stephanie Koopmann, The Light Foundation, Frankfurt a. M.

Chapter 2: Reports

- Andreas Geis, Foundation for Art, Culture and History, Winterthur
- David Hesse, Mercator Foundation Switzerland, Zurich
- Lea Buck, Azurit Foundation, Munich
- Lisa Canitz, Vector Foundation, Stuttgart
- Michaela Wintrich, Entrepreneurship Foundation for Equal Opportunities, Hamburg
- Monika Wirth, Sophie and Karl Binding Foundation, Basel
- Rahel Stauffiger, Foundation for Art, Culture and History, Winterthur

Chapter 3: Project commitment

- Karin Kiehn, Olin gGmbH, Berlin
- Michaela Wintrich, Entrepreneurship Foundation for Equal Opportunities, Hamburg
- Silke Breimaier, Robert Bosch Stiftung, Stuttgart
- Wiebke Gülcibuk, PHINEO, Berlin

Chapter 4: Funding contracts

- Christian Meyn, Center for Philanthropy, University of Liechtenstein, Vaduz
- Gerit Reimann, House of Foundations, Munich

Chapter 5: Funding with more than money

- Alexander Thamm, Kosmopolis.org, Berlin
- Anne Jacob, Initiative #VertrauenMachtWirkung, Berlin
- Arne Vollstedt, Stiftung Mensch und Tier, Freiburg/Brsg.
- Birgit Schäfer, Hans Weisser Foundation, Hamburg
- Jan Schudel, Sophie and Karl Binding Foundation, Basel
- Maximilian Türck, DFL Foundation, Frankfurt a. M.
- Nathalie Unternährer, Christoph Merian Foundation, Basel
- Stefan Brunner, Mercator Foundation Switzerland, Zurich
- Stephanie Reuter, Rudolf Augstein Foundation, Hamburg
- Victoria Hugelshofer, Initiative #VertrauenMachtWirkung, Berlin

The **minimum legal requirements** were researched and compiled by:

- Christian Meyn, Center for Philanthropy, University of Liechtenstein, Vaduz (on Germany)
- Ivana Savanovic, SwissFoundations, Zurich (on Switzerland)

The following people have enriched the text with **feedback**:

- Andreas Richter, DICO Gesellschaft für Community Organizing gGmbH, Berlin
- Felix Dresewski, Kurt and Maria Dohle Foundation, Cologne
- Larissa Probst, German Fundraising Association, Berlin
- Meike Vogel, Bielefeld University, Bielefeld
- Pavel Richter, The Coalition for Clear Vision, Berlin

Layout and design of the brochure were undertaken by:

- Anja Tichawsky and Iris Ortner, Haus des Stiftens, Munich

Responsible for **project management and final editing**:

- Karsten Timmer, panta rhei Foundation Consulting, Bielefeld

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Karsten Timmer, Schloßhofstr. 1, 33615 Bielefeld
hallo@weniger-ist-mehr.org

Design

Iris Ortner & Anja Tichawsky, Haus des Stiftens, Munich

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