



Tracy Family Foundation
DONOR COLLABORATION GUIDE

Approved: 3/24/21

Purpose of the Guide | As time marches on, there will likely be opportunities for donor collaborations with Tracy family members, as well as other external funders. As a means of preparing for future potential donor collaborations, the Donor Collaboration Guide is intended to be a tool to help TFF discern when/if a donor collaboration is appropriate.

First, Partnership vs. Collaboration. What is the Difference?

Partnerships and collaboration are strategic alliances between nonprofits that are intended to achieve greater impact than any organization could generate on its own. Partnerships are relationships. Collaboration is a process, a decision-making tool to find the best creative outcome for an issue/problem.

Why a Donor Collaborative?

A collaborative takes shape when a group of grantmakers recognize that they share a common focus – and that they might be able to do more together than they can on their own.

Donor Collaboration Descriptions | Donor collaboration takes many forms. Examples of collaboration models include:

- ✓ Information Exchange – This is the loosest type of collaboration. It provides a forum in which funders can exchange information.
- ✓ Co-Learning – In this type of collaboration, donors agree to explore together a particular issue or problem.
- ✓ Informal Strategic Alignment – In this model, donors can work together to explore a common challenge; they may eventually decide to align some of their grantmaking through shared or complementary strategies.
- ✓ Formal Strategic Alignment – In this type of arrangement, donors agree to align their grantmaking and create structures to work together.
- ✓ Targeted Co-Funding – While the involved donors retain individual grantmaking control, they coordinate their investments in a specific project or initiative.
- ✓ Pooled Funding – These arrangements involve a contribution from each involved donor to a collective fund that is usually administered by a lead donor or a third party. Each contributor has a voice in the grantmaking decisions and funding is provided from the pool.
- ✓ Hybrid Networks – Hybrid networks offer participants a range of options for involvement. For example, some members of a hybrid network may decide to participate in a pooled funding venture, while others choose to limit their participation to shared learning opportunities.

Examples of TFF Donor Collaborations | The first example is the Nonprofit Excellence Initiative in which TFF is collaborating with the following entities: Community Foundation of the Quincy Area, United Way of Adams County, Moorman Foundation, and JWCC Foundation. This

is an example of a “Pooled Funding Donor Collaboration”. TFF has also collaborated with the Knapheide Corporation in the NISL School Leadership Initiative. This would be an example of “Targeted Co-Funding”.

What are the Benefits of Joining a Donor Collaborative?

- ✓ Access to pooled information and expertise
- ✓ Opportunity to develop new grantmaking strategies
- ✓ Ability to leverage philanthropic resources – both financial and non-financial
- ✓ Increased public attention to critical issues
- ✓ More efficient use of available resources
- ✓ Opportunity to share the risks with partners
- ✓ Creation of additional partnerships
- ✓ Potential to achieve greater impact

What are the Challenges Involved in Donor Collaboration? | Probably the most common challenge is the amount of time that is required in collaborative work. True collaboration also means sacrificing at least a measure of individual autonomy and recognition. For funders who want to own a particular initiative or want the flexibility to do things their own way, collaboratives may not be a good fit.

Key Characteristics of Successful Donor Collaborations|

- ✓ A passionate champion(s) who spearheads the effort and provides initial leadership
- ✓ Unique opportunity to collectively address a problem
- ✓ Diverse group of funders
- ✓ Inclusive participation structure
- ✓ Time for planning, especially at the outset
- ✓ Comfortable, interactive forum among the funders
- ✓ Flexibility
- ✓ Appropriate staffing
- ✓ Stability, participation over the long-term
- ✓ Long term agendas as real change takes time
- ✓ Trust among the funders
- ✓ Clarity among donors about goals, commitment required (time and money), the “rules” (how decisions are made, who will provide leadership, communication process, etc.)

PRIOR TO COMMITTING TO A DONOR COLLABORATION, the TFF staff and board need to reflect upon the following:

1. The “Donor Collaboration Descriptions” and identify they type of collaboration that is being considered.
2. The “Benefits of Collaboration”. Do the majority of them apply to the collaboration that is being considered by TFF?
3. The “Challenges Involved in Donor Collaboration”. Are the challenges manageable?
4. The “Key Characteristics of Successful Donor Collaborations”. Is there evidence that many of these characteristics are in existence in the collaborative being considered?

PRIOR TO COMMITTING TO A DONOR COLLABORATION, the TFF staff and board need to address the following:

1. Is TFF interested in addressing the issue that is the focus of the collaborative?
2. Is the collaboration in keeping with the Values, Mission, and Focus Areas of TFF?
3. Will the collaboration advance the work of the TFF current or 20-year Long Range Plans?
4. Does TFF have the resources – people and money – needed to participate as an active partner in the collaboration?