

***Information and Communications  
Technology  
In 21<sup>st</sup> Century Philanthropy***

**A Call to Action**

**The Report and Recommendations  
of the  
Technology Task Force  
to the Council on Foundations  
Board of Directors**

**November 19, 2009**

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## Letter from the Task Force Chair

Dear Colleagues:

The economic disruption of the past year is nothing we have seen or imagined in our lifetime; community needs increased exponentially while philanthropic resources disappeared in a blink of an eye. The Council on Foundations' board asked whether this was the right time to look at the role of technology in 21<sup>st</sup> century philanthropy, and what role – if any – the Council should play in serving the field's technology needs. My response to the timing question was: "What better time?" Technology plays a critical role not only in reducing expenses and increasing efficiency, but we are now at the dawn of an era in which individuals and organizations around the world will have unprecedented access to technology. Foundations can and should be at the forefront of this trend. In further exploration of the role of technology, Microsoft has responded just recently with a paper entitled "[Unleashing Technology to Advance Social and Economic Development](#)" – which explores how emerging technologies will address some of the most pressing human needs.

Asked to serve as the chair of the Council's Information and Communication Technology in 21<sup>st</sup> Century Philanthropy (ICTP) Task Force, I began the process with a lot to think about. I have worked in the field of ICT for development for over 15 years and, while firmly believing in the importance of technology in creating social and economic development, my experience was that sector-wide collaboration and investment was largely an elusive goal. With the first decade of the 21<sup>st</sup> century coming to a close, could the Council reasonably be expected to influence a broad ecosystem of independent actors that includes foundations, nonprofits, and other important sector partners? Would anyone want to serve on this task force? Would what it had to say rise to a level of importance that would cause anyone to either listen or care?

Our work over the past year with the ICTP Task Force quickly dispelled any doubts and answered my questions. Working with a diverse, talented, informed, experienced, and thoughtful group of colleagues – dare I say passionate – convinced me that we began this journey not a moment too soon. Many nonprofits have already embraced technology to help improve their productivity and overcome their constant struggle to do more with less. Moreover, technology also can be a disruptive force that opens exciting opportunities and avenues for nonprofits to better achieve their missions and accelerate their impact. This "constructive disruption" of traditional business, delivery, information, and networking models is already under way.

In my work with Microsoft, I sit at the intersection of business and philanthropy. The landscape is global, connected, collaborative, competitive, and changing daily. External opportunities and threats abound. In our business, innovation plus responsiveness lead to relevance. I've learned that is a very difficult spot to successfully occupy over a long period of time. As I listened to my Task Force colleagues voice their collective concerns about the sector's opportunities and threats and debate the role of technology in capitalizing on or diffusing them, I kept coming back to relevance. It may seem odd to ask "could institutional philanthropy as we know it lose relevance?" But the truth is that over the first decade of this century we've seen remarkable change that has made time and distance less of a barrier, empowered individuals in innumerable and remarkable ways, given rise to innovative new business models, and created new societal expectations supported by new levels of transparency. Much of the basis for the change is the advent of powerful communication and technology tools, the widespread and deliberate adoption of which has not yet occurred in our sector.

*I want to thank the Council staff and leadership for the great support provided to the Task Force to allow it to complete its work and to produce the report. I also want to thank and acknowledge my fellow members of the Task Force for the tremendous amount of time, energy, and content they have contributed to our work. Without their full commitment this work would not be possible. And finally I want to thank the Council's board for giving us this opportunity to contribute to our sector and share with all of you why we believe this is a unique and historic moment.*

As you work through this set of recommendations, I ask that you consider framing it in terms of “relevance.” Most importantly, while the Task Force name is cumbersome and includes words like “technology,” please know that Task Force itself *is entirely focused on the opportunities* afforded by the application of technology as opposed to the technologies themselves. As a business executive considering the prospects of both change and investment, you would expect no less.

Sincerely,  
Akhtar Badshah, Ph.D.  
Chairman, ICTP Task Force, Council on Foundations  
Board Member, Council on Foundations

## Technology Task Force Membership

*It is with deep gratitude that the Council on Foundations expresses its appreciation and admiration to the many technology leaders within the field of philanthropy who have given so much time to study, consider, and produce the recommendations of this report.*

- Akhtar Badshah, Senior Director, Community Affairs, Microsoft
- Charles Benton, Chair and CEO, The Benton Foundation
- Jim Bickel, Director of Technology, The Cleveland Foundation
- Sharon Burns, Chief Information Officer, The John D. and Catherine T. MacArthur Foundation
- Gavin Clabaugh, Vice President/CIO, The Charles Stewart Mott Foundation
- Jeff Clarke, Vice President, Rasmuson Foundation
- Patrick Collins, CIO/Director of Grants Administration, The William and Flora Hewlett Foundation
- Tim Dechant, Director of Technology, The W. K. Kellogg Foundation
- Laura Goff, Chief Information Officer, The Marin Community Foundation
- Michael Litz, President and CEO, the Forum of Regional Associations of Grantmakers
- Jane Meseck, Director of Community Affairs, Microsoft
- Joseph Mouzon, Executive Director, Network for Good Nonprofit Services
- Alyce Myatt, Executive Director, Grantmakers in Film and Electronic Media
- Lisa Pool, Executive Director, Technology Affinity Group
- Campbell Pryde, Vice President and CSO, XBRL US
- Jason Ricci, Chief Information Officer, The Energy Foundation
- Val Rozansky, Director of Knowledge Management, The Forum of Regional Associations of Grantmakers
- Brian Sasscer, Senior VP, Strategic Operations, The Case Foundation
- Michelle Savage, VP for Communications, XBRL US
- Matthew Sharp, Director of Information Technology, The David and Lucile Packard Foundation
- Bradford Smith, President, The Foundation Center
- Peter Tavernise, Sr. Manger and Sr. Program Officer, Cisco Systems Foundation
- John Tolva, Director Citizenship and Technology, The IBM Corporation
- Stefaan Verhulst, Chief of Research, John and Mary R. Markle Foundation
- June Wang, Grants Administration Project Manager, The William and Flora Hewlett Foundation
- Marnie Webb, Co-CEO, TechSoup Global
- Steve Wright, Director of Innovation, Salesforce.com Foundation

### Council Staff:

- Steve Gunderson, President and CEO
- Steve Siesser, Vice President for Finance and Administration
- Russ Barratt, Assistant Director for IT and Database

### Consultant:

- Jonathan Peizer, Principal and President, Internaut Consulting

## Introduction: Task Force Mission

As the economy began to fail and philanthropy began to recognize both the diminished value of its philanthropic resources and the dramatic growth in community needs, the Council asked whether this was the right time to look at the role of technology in the 21<sup>st</sup> century, and what role – if any – the Council should play in serving the field’s technology needs. Recognizing that neither time nor technology would take a pause to wait for an economic recovery, the Council’s Board of Directors authorized the Council’s Information and Communications Technology in 21<sup>st</sup> Century Philanthropy (ICTP) Task Force in the fall of 2008. Now, one year later, the Task Force presents its recommendations to the Council’s Board.

Our story begins a decade ago. The rise of the Internet set in motion a process of creative disruption in every sector of the global economy—a process that today continues unabated. Business models, organizational models, business process, communication, and collaboration have been and continue to be redefined. Customers have largely universal access to more high-quality information and more choices than ever before directly from their desktop, laptop, smartphone, or from the free access point at the local coffee house.

The driver? A combination of telecommunication infrastructure improvements such as broadband, a rapid proliferation of adaptive software development standards and tools, and the emergence of standards such as Extensible Markup Language (XML), a set of rules that make electronic documents and their data widely usable on the Internet. In ten years we’ve gone from the Web 1.0 “portal” (salad bars of separate information) to “mash-ups” (melting pots of combinable disparate information) as an emerging Web 2.0 standard. The pace of change is furious and shows no sign of slowing.

We’ve all been personally impacted by this ongoing transformation. Today civic and political engagement look nothing like they did a decade ago as you can sign up for RSS updates and receive digital calls-to-action. Or you can initiate your own call-to-action through your blog, Facebook, or Ning pages. Business talks about real-time data-driven decision making where producers and retailers exchange sales and inventory data continuously to adjust product mix, replenish inventory or, based on your purchase patterns, propose an offer to you as a loyal customer. As a consumer, you can compare up-to-the-minute credit card, mortgage, hotel, and rental car rates or airfares from around the world or pay bills with the click of a mouse. Kiva.org, the first peer-to-peer online micro-lending site, lets individual social investors lend small amounts of capital to specific entrepreneurs and their projects around the world from the comfort of home, essentially democratizing philanthropy.

Does any of this matter to the philanthropic sector and if so, why?

It matters because our sector, as traditionally defined, has not been an active participant in this broader transformation. As a consequence, the work of the ICTP Task Force is a call to action. At first glance, this overview could lead one to conclude that it’s all about technology. While the enabling nature of these new technologies is central to our message, *we are entirely focused on the opportunities afforded by the application of technology as opposed to the technologies themselves.*

There is a widely shared belief in our sector that goes like this; “If you’ve seen one foundation, you’ve seen one foundation.” Upon deeper examination that simple observation supports layers of perspective. And one such layer is the embrace and use of technology. But before we get to technology, it is important to understand the field of philanthropy.

Comprised of 75,000 private, independent, and operating foundations; almost 800 community foundations; and thousands of corporate foundations and corporate giving programs, our sector is richly diverse in thought and in programmatic and geographic interests. It is understandably independent in action. As a sector, our catalytic role rests on and celebrates these core values. And it is all enabled by a tax code that is subject to the winds of politics.

At the same time, our sector is highly fragmented. This fragmentation results from the very qualities that make our sector unique: diversity in thought, programmatic and geographic interests, and understandable independence in action. It also means that if you’ve heard one foundation’s story, you’ve heard one foundation’s story. While these individual stories are both engaging and powerful, they alone are not sufficiently representative of the sector’s contributions in today’s real-time, data-driven information age.

We know that nature abhors a vacuum. We also know that today, with the advent of such powerful communication and information technology tools, any vacuum can be instantly filled by an individual blogger. Today, the threat before philanthropy is that others, to our detriment, will collectively decide what our sector’s story has been, is, and will be—and then they will act on the decisions they make about us. But there is also an opportunity. Philanthropy can collectively tell and *own* our story in a way that is explainable, accessible, and appropriate for the general public, policymakers, and each of us. But for this to happen, we must act.

Here is the challenge. Technology can define both what we do and how we do it. Individually in our respective philanthropic organizations and collectively as a field, we can make small but important changes in how we do our work. Today, engineers have developed the protocols for one piece of technology equipment to communicate with another piece of equipment. This is the product of engineering. What is missing is the ability of philanthropy to consistently, effectively, and widely use such technology to:

- Establish higher standards of transparency.
- Formalize and share knowledge in support of our work.
- Set the stage for new collaborations with traditional and nontraditional partners.
- Enable integrated when possible and individual when necessary local, regional, and national advocacy.
- Strengthen communities by strengthening community foundations and NGOs.
- Bolster organizational capacity and improve efficiency.
- Tell our individual, group, and collective stories in the right place, at the right time, to the right audience.

Broadly speaking, these are our opportunities. In short, our individual independence is best preserved by the voluntary and collective adoption of a set of new behaviors we believe are necessary to unlock the potential of 21<sup>st</sup> century philanthropy. If we are amenable to change, the adoption of today's *and* tomorrow's communication and information technology tools would be both catalytic in nature and indispensable to our collective efforts.

The potential embodied in our sector's future inspired the work of the ICTP Task Force. Assembled by the Council on Foundations, the Task Force sought to explore three very important yet basic questions:

- **What opportunities and collective behaviors define 21<sup>st</sup> century philanthropy?**
- **Within the context of the vision, what is the role of technology in 21<sup>st</sup> century philanthropy?**
- **What role, if any, does the Council on Foundations have in leading the field to this new level of leadership and service?**

The Task Force targeted the following areas of information and communications technology (ICT) in philanthropy:

#### **Operational Use of Technology within the Field**

- Finding better ways to utilize ICT throughout the operations of individual philanthropic institutions to build capacity, enhance performance, leverage communications, increase transparency, and promote more effective philanthropy.

#### **Programmatic Use of Technology in Grant Giving and Interaction within the Field**

- Determining what can be done differently in philanthropic grantmaking and other external program support using technology more effectively to enhance people's lives.
- Ensuring ICT is viewed as a strategic and necessary tool that senior foundation management feels competent integrating into program strategies.
- Better defining the strategic advantages and disadvantages of specific technologies.

#### **Collaborative Use of Technology within the Field**

- Developing standards of practice to promote new giving tools and platforms.
- Ensuring foundations use ICT to better map, advocate, and collaborate on initiatives both institutionally and alongside their colleagues and issue area grantees. (*The priority focus was on foundations, with the expectation that support, like training on best tools and techniques to deploy in the field, also assisted the grantees those foundations work with.*)

#### **Use of Technology between the Council on Foundations and Its Membership**

- Determining how the Council could become a technology leader in service to the field and in partnership with its membership.
- Defining what changes the Council needed to make in using and sharing its own technology platforms, policy support, and content resources to better support the field's use of ICT.

The ICTP Task Force addressed these four areas in the following context:

- Enabling philanthropic leadership and senior management in their business.
- Providing support for administrative and programmatic ICT specialists in philanthropy.
- Defining the Council's role in ICT support for these groups and the actions the Council should take.

**The results of the Task Force's work are detailed in the following pages.**

# Executive Summary

## Task Force Membership

The Task Force comprises primarily senior foundation leaders and managers with broad and deep industry expertise in strategy, program, and administration, and senior leaders of the major related associations and nonprofit technology assistance providers.

## Task Force Process

Over the past 12 months, the Task Force met numerous times both in person and by telephone. A sub-group of Task Force members also met at the Council's Annual Conference in Atlanta and convened a town hall panel with a standing room only crowd to share ideas and seek feedback to preliminary thinking.

To work most effectively to meet its deadline, the Task Force separated into five working groups, each exploring a different aspect of technology within philanthropy. The working groups include:

- Data Standards
- Knowledge Management
- Non-Governmental Organization Collaboration
- Public Policy
- Donor Engagement

## ICTP Data Standards

*The Task Force believes the most important challenge related to the use of and benefit from technology within philanthropy is the design and use of common data standards. The Task Force believes that only an organization like the Council can convene the development of such standards and advance their use throughout the field. Our goal is to define an appropriate methodology to develop standard data elements (standards or definitions) that are used to categorize information, apply for and administer grants, make appropriate funding and programmatic decisions, and ultimately report on both outcomes and best practices—individually as a grantor and collectively as a field.*

## Recommendation

*We recommend that philanthropy, through the convening power of the Council on Foundations, develop, institute, and champion comprehensive and scalable data standards for the sector. Working with all appropriate stakeholders, the Council's working group should use established methods to create a dictionary of data standards that facilitates sharing and aggregating information about grants, grantees, and grant outcomes. The focus of this work is to ensure data standards can be easily integrated into existing grant application, management, and reporting tools with minimal disruption.*

## Knowledge Management (KM)

According to Wikipedia.com, "Knowledge Management comprises a range of practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizational processes or practice." The Council and the Forum of Regional Associations of Grantmakers have committed to the design and development of a KM system in 2010. However, the Task Force looked at both these immediate needs for the Council/Forum and the emerging need for all of philanthropy.

## Recommendation

*We recommend a three-pronged strategy, led by the Council and the Forum of Regional Associations of Grantmakers, to 1) Educate the sector on what KM is and its relevance to their work, including training and webinars; 2) Collaborate and develop the shared requirements definition for a sector-wide KM system, both the platform and the content; 3) Use the development of the Council/Forum KM system to create a common KM system architecture for the sector.*

## NGO (Non-governmental organizations) Collaboration

Quite simply, philanthropy's impact and effectiveness is dependent upon the quality of our nonprofit service provider partners. From grant applications to final reports, technology plays a critical role in successful NGO collaboration. Over the past decade, innovation and collaboration have been building a new technology partnership through the nonprofit sector.

## Recommendation

*We recommend the Council create a standing body (Council Committee, Task Force, or Working Group) that collaborates directly with the Technology Affinity Group to guide and/or develop ongoing deliverables in promoting the ongoing education of the broader nonprofit sector. The educational framework should include 1) Basic ICT Education; 2) ICT collaboration Models; 3) ICT Product and Service Delivery; and 4) ICT Impact Assessment. This is to be complemented by a Council-led promotional campaign fostering better foundation and nonprofit ICT collaboration.*

### **ICT Policy**

Public policy decisions relating to the use of and access to technology impact the philanthropic sector, our nonprofit colleagues, and, most importantly, the people we seek to serve. Philanthropy, led by the Council's Public Policy Division, can help members directly engage in technology policy and affect technology policy at the national level.

#### **Recommendation**

*We recommend the Council include within its legislative/public policy agenda a focus on three broad, natural areas of ICT policy: universal access (for example, broadband), transparency (data standards and net neutrality are two examples) and collaboration. We recognize that most foundations will not seek to engage in this work. We encourage that a small group of foundations committed to this work serve as both the advisory group to the Council and as the main implementers of any policy work on behalf of the Council and its membership.*

### **Donor Engagement**

Community foundations use technology to market and engage donors. During the recent economic crisis, many community foundations have used technology to conduct major fundraising efforts for the more urgent community needs. The technology needs for this work are unique from the rest of the sector.

#### **Recommendation**

*We recommend the Council, through the Community Foundation Leadership Team, elevate programming for community foundations that promote both awareness of and the best practices in the use of technology. A key element of this work should be a focused education of the field on best practices in customer relationship management and effective donor engagement strategies through the use of training and webinars.*

Please note that, in general, the recommendations from this report take a multi-phase approach and are meant to be addressed over several years.

## The ICTP Data Standards: Priorities and Recommendations

### Philanthropy's Challenge

*How do we efficiently answer questions such as: "How much has been spent on fighting malaria using nets in Africa by all private foundations between 2004 and 2007? How can the sector better assess and tell the collective story of its work and impact?"*

At some point, we've all used the phrase, "This comparison [of data, situation, information, scale, etc] is not apples to apples." What we mean by this is simple: It can be inaccurate and sometimes misleading, to compare unequal sets of data. The comparison can lead to erroneous conclusions or, worse yet, misguided action and communication. In philanthropy today, answering a seemingly straightforward question about the sector's collective work in an issue or geographic area would cost thousands of dollars, and that answer might still be neither accurate nor timely. This is because industry data standards – comparable reference points against which things can be evaluated – do not exist within our sector.

Although an individual foundation could likely answer the same seemingly straightforward question about its work in a specific issue or geographic area, the chances of its data being comparable or easily combinable with another individual foundation doing the same work in the same geographic area are remote. This is because in the philanthropy sector, each individual community, corporate, family community, corporate, family, and independent foundation sets its own data standards. What challenges does this pose? Think about terms such as *pulse*, *blood pressure*, and *weight* meaning something different to every physician, nurse, and hospital. How would they individually communicate with each other to ensure successful clinical outcomes? How would they collectively tell the story of public health in their village, town, city, county, state, or region?

While the philanthropic sector's lack of standards does not have the same implication that might be experienced in health care, the principle remains the same: a lack of standards restricts the responsible flow of information because one can never be sure about the meaning of underlying data. And while as a sector we can tell a fairly accurate story *if we are given plenty of lead time*, that's all the story is—*fairly* accurate. But when we tell a story that might be used to drive action, we must ask the fundamental question: how much do we trust the underlying data?

Of course, today's computer-driven information systems, when built on appropriate standards, provide tremendous power. For philanthropy, this power can be used to aggregate data and use it to tell individual, group, and collective sector stories of social change. But philanthropy's ability to collect such data and turn the data into usable information is hampered by a lack of data standards and inconsistent taxonomies.

### Recommended Council Actions

- Convene the appropriate parties to design the protocol/roadmap for moving forward.
- Determine Foundation support for funding what will be and involved and costly activity.
- Select and contract with a third party to facilitate and manage the standards collection process.
- Promote the process and standards to the philanthropic world.  
Promote the standard to grants management/donor management software vendors.  
Communicate the importance of the standard process to the membership and to current/prospective vendors of grants management/donor management software.

### Resources Required to Act

- A third party standards developer with appropriate experience necessary to convene stakeholders, arbitrate the process, and maintain the data dictionary in the public domain through the Council.
- Funding support from the sector to engage in this important work.
- Appropriate stakeholder participation.
- Continued active participation of ICT taskforce group leadership as the Council's voice/guide in the standards definition process.

### Approximate Cost of Recommendation

- \$1,900,000 – \$2,400,000

Today most foundations would not know how to go about addressing seemingly straightforward question, and the answers that many foundations come up with might not be entirely accurate or timely. Moreover, to answer this question without tremendous costs, we need to start from the beginning of the grantmaking process, not from the end. The secret is simple. It's called data standards, or more accurately, structured data. On one hand, this topic is routine but, on the other hand, it holds the promise of decreased costs, increased knowledge, and increased transparency.

Structured data is not about taxonomies, rather it's about categories. The simplest example is a contact record. The standard is clear, and the structure is transparent (and noncontroversial): first name, middle initial, last name. That's structured data. It's the names of the fields, not the contents.

By contrast, taxonomies, once we define them, are about what we put into that structure. We have, in fact, a plethora of taxonomies. What the philanthropic world lacks is an easy, portable structure within which to use agreed upon taxonomies meant to convey the same meaning of information to different folks (as in the example of the health care worker cited earlier) — a structure that could streamline the flow of information between grant seekers, grantees, grantors, and the various entities that collect and analyze data in the philanthropic world. In fact, such structures would ease their burden greatly. Using the same data structure from application to reporting to evaluation would make it much easier to leverage the value in the information.

Philanthropy's ability to get at information hidden within our grantmaking has been hamstrung by incompatible data standards and structures. By proxy, philanthropy's problems extend to its grantees; burdened and constrained by its requirements, grantees have little choice but to deliver what is asked for: useful data that is trapped in Word documents, spreadsheets, and foundation-mandated paper documents and reports. Throughout the sector, grant applications are one-off proprietary exercises, and grant reporting (by grantee or grantor) a tedious, demanding, and expensive process. Information sharing is highly inefficient, involving extraction of individual elements scattered across digital and manual documents.

Effective information sharing and reporting is so difficult, not because the methods and technology are not available, but because the sector lacks a coordinating leadership. The Council can provide this crucial leadership by fostering the development and acceptance of simple structured data standards. The creation of such standards would facilitate the flow and aggregation of data among grantees, grantmakers, and other important stakeholders like the Foundation Center and the Council.

To answer the question asked earlier (about nets and malaria), a foundation might have to rely on aggregated data that could suffer from being miscoded (or uniquely coded), incomplete, or dated. Or, that foundation might hire consultants to gather, aggregate, and analyze data—a costly proposition.

Beyond simple inefficiencies and the money spent to create incompatible systems, there are additional direct, indirect, and opportunity costs:

1. NGOs spend time and money filling out different grant applications and an equally inordinate amount of time preparing progress reports and financial reports for different grantors asking for similar data (see Project Streamline).
2. Part of the reason the government takes an inordinate interest in philanthropic transparency is because of its apparent inability to answer the straightforward programmatic question described above.

In an ideal world, all foundations would understand the same structures and be able to use the same coding standards. However, even if different philanthropies employ different systems and processes, each with its own unique functionality, the key to sharing and aggregating data between institutions is a common data structure — a common language — and a shared set of basic elements that can be exchanged across the sector, and if needed, extended or customized within individual institutions. Moreover, many small- and medium-sized philanthropies already use a limited set of vendor products for grant tracking. These vendors, along with the Urban Institute's National Center for Charitable Statistics (NCCS), the Foundation Center, and GuideStar need to be active stakeholders in any process that defines standards.

The key missing elements to make data standardization in the sector a reality are:

1. Leadership representing the foundation sector with enough influence to promote standards and bring together the appropriate actors to create and manage them over time.
2. Leadership within foundations who see this as priority and are willing to create incentive structures within their own institutions to insure that such standards are adopted.
3. A proven process and methodology by which standards can be set, arbitrated, and maintained with all the appropriate stakeholders involved and the data standards produced remaining in the public domain.

### The Benefits of Action

Imagine a world where information about a grant — its who, what, when, and where — is caught and captured in a consistent manner. It is typed only once, at the point of entry, where it is checked and verified, and then correctly tagged, marked, and structured to flow smoothly through the appropriate grantmaking ecosystem, from inquiry to proposal to grant. Once tied to an actual grant, these same structured data finds their way into reports, budgets, and eventually into outcome-measures and to other relevant actors like the IRS and Foundation Center. This unleashes the collective power of the information in our individual institutional data stores and provides unprecedented transparency to the good work philanthropies are doing. It eases the burdens placed on grantees and greatly cuts the costs incurred by us all in measurement and analysis — eliminating data redundancy and facilitating data mining. Specific benefits include:

- Information on grant activity could be more easily aggregated to inform future planning.
- Cross-foundational giving could be more easily and cost effectively “mashed” with other structured data, revealing new insights, providing new ways to display outcomes and impacts (e.g., The Foundation Center’s Philanthropy In/Sight), chart social investments, or simply to track the effects of charitable resources with a sector, country, or economy.
- A more convincing argument could be made to the government that the sector is working on its own to increase transparency.
- The grant application process could be more easily facilitated with prospective grantees entering a core set of standardized data (perhaps only once) into a shared system.
- Underperforming nonprofits would be more easily identified through the emerging nonprofit marketplace and key actors like GuideStar.
- Because so many foundations use a handful of grants management systems, convincing these vendors to support structured data standards within those systems would painlessly place it in the offices of *many* foundations.
- New and inexpensive extensions to common programs, such as Microsoft Word and Excel, allow structured data to be easily tagged within existing processes, facilitating the flow of data without disrupting existing practices.

### The Council’s Leadership and/or Service Role

An organization like the Council on Foundations, in its historic role as a sector representative, is **uniquely** positioned to provide leadership as both objective convener and promoter of the benefits of data standards.

### General Recommendation

The ICTP Data Standards Group recommends the Council initiate a full structured data initiative starting with grant application and grantee reporting — the areas identified as most in need of standardization by the Council membership at the spring 2009 town hall meeting on technology. This recommendation will involve working with a third-party standards developer to manage the process and maintain the developed data dictionary; inviting the necessary stakeholders to provide input; soliciting funds from the membership; and promoting standards to the membership, the foundation world at large, and software vendors. This is a unique opportunity for the Council to play a **game-changing leadership role** by using its convening power to ensure the establishment of standardized data structures for the entire sector.

An essential part of the process will be to use a sound methodology for standards development. A number of organizations are capable of helping the Council with this work. We recommend that the Council develop an RFP to select the appropriate organization with the ability to bring the interested parties to the table, connect and integrate the standards development process with existing standards (GAAP, FASB, NTEE, OPX, etc.), and ensure that the results remain open and accessible to the philanthropic world.

#### Recommended Council Actions

- Convene the appropriate parties to design the protocol/roadmap for moving forward.
- Determine foundation support for funding what will be an involved and costly activity.
- Select and contract with a third-party vendor to facilitate and manage the standards collection process.
- Promote the process and standards to the philanthropic world.
- Promote the standards to grants management/donor management software vendors.
- Communicate the importance of the standards process to the membership and to current/prospective vendors of grants management/donor management software.

#### Resources Required to Act

- A third-party standards developer with appropriate experience necessary to convene stakeholders, arbitrate the process, and maintain the data dictionary in the public domain through the Council.
- Funding support from the sector to engage in this important work.
- Appropriate stakeholder participation.
- Continued active participation of ICT taskforce group leadership as the Council's voice and guide in the standards definition process.

#### Approximate Cost of Recommendations

This is a multi-year project, geared to develop the discrete but interrelated data elements of the grant application, grant management, and grant reporting process. This project entails a complex set of activities engaging multiple stakeholders from across the sector. We are attempting to develop data standards for what is a very diverse sector—with entities ranging from small family foundations to community foundations, from private foundations (both large and small) to corporate grantmaking programs. While doing so, we recognize these same standards will need to also coordinate with government, fund raisers, universities, individuals (including individual philanthropists), and consortiums. As such, the effort will take a tremendous amount of skill in standards development methodology and significant coordination of these diverse players. The skills for this work exist and will be contracted. By holding the information that is gathered and developed, the Council serves as the lead, This is work that will be completed by experts in the field in the name of and for the Council – and the field.

Our task force's best recommendations for the phased implementation of this work are as follows. We need to better define the exact work and complete and share the demonstration of what the standards can and will do as part of the fundraising prospectus.

#### Year 1: \$750,000

- 1) Phase 1: Project Development
  - a. Prototype requirements
  - b. Demonstration
  - c. Fundraising
- 2) Phase 2: RFP
  - a. Project development
  - b. Requirements
  - c. Vendor selection
  - d. Staffing and project management
- 3) Phase 3: Structured Data Standards — Grant Application
  - a. Research on taxonomical requirements and integration with existing taxonomies
  - b. Research on existing substructures and requirements
  - c. Stakeholder survey and inclusion
  - d. Structure development
  - e. Application identification and integration of tagging
  - f. Marketing and education

#### Year 2: \$1,000,000

- 4) Phase 4: Structured Data Standards — Grantee Reporting
  - a. Research on taxonomical requirements and integration with existing taxonomies
  - b. Research on existing substructures and requirements
  - c. Outcomes integration
  - d. Stakeholder survey and inclusion
  - e. Structure development
  - f. Application identification and integration of tagging
  - g. Marketing and education

**Year 3: \$650,000**

- 5) Phase 5: Structured Data Standards — Grantor Reporting
  - a. Research on taxonomical requirements and integration
  - b. Research on existing sub-structures and requirements
  - c. Stakeholder survey and inclusion
  - d. Structure development
  - e. Application identification and integration of tagging
  - f. Marketing and education

# Knowledge Management: Priorities and Recommendations

## Philanthropy's Challenge

*How does the sector capture best practices and share, leverage, and scale these experiences instead of duplicating resources and reinventing the wheel?*

The amount of knowledge and data available today within philanthropy is exploding and the field is struggling with how to capture, filter, and leverage it effectively. Knowledge management (KM) provides efficient solutions to this challenge by providing users the most current and relevant resources and advice to make informed decisions through a technology platform containing the common content. Unfortunately, KM means different things to different people—a significant challenge when designing systems to meet user needs. The fact that there are so many KM efforts underway underscores its importance to our sector. However, with no interoperability among existing resources, there are as many different standards as there are systems. The result is information that is both fragmented and scattered.

As the Task Force considered the appropriate role of knowledge management systems within philanthropy, we learned that the Council and the Forum of Regional Associations of Grantmakers were engaged in the design (structure and content) of a common KM system for their common work. While certainly not the exclusive KM system within our sector, the reach of such a system provides an opportunity to again bring symmetry and collaboration to the broader field.

## The Benefits of Action

The benefits of a sector-wide, open KM system for users is clear: Such a system would enable users to share best practices, findings, evaluations, schedules, and other important data easily and effectively. The proposed KM platform is a go-to resource, incorporating tools, information, and social networking capabilities uniquely gathered in a single platform. It includes a repository of shared data, documents, and resources, including a sector-wide calendar of meetings, along with user-oriented tools designed to facilitate quickly the identification of individual and institutional peers for collaboration. Finally, it is customizable to individual needs.

For content providers, the system broadens the availability of their resources, expanding the reach of their materials and their influence in the field. For content distributors such as regional associations and affinity groups, this system streamlines processes and eliminates the need for duplicative agreements. Finally, funders, who have shouldered the cost of developing the philanthropic infrastructure, no longer need to pay for repetitive systems. Best practices in a particular issue area from one group are shareable with another, limiting the need to reinvent the wheel when defining programs. Various groups can coordinate activities to avoid scheduling conflicts and can seamlessly disseminate reports to target audiences.

For example, a community foundation user is seeking advice on liability concerns associated with donor-initiated fundraising. Rather than having to separately search multiple online resources from the Council on Foundations, the Council of Michigan Foundations, the Foundation Center, etc., the user simply queries the topic within the KM system. In response, the system presents the user with relevant information like published articles, previously recorded webinars, a roster of expert contacts, vetted Web content, and a listing of upcoming events. Anticipating a need to keep apprised of new information about the queried topic, the user saves the request and subscribes to it so alerts are received automatically as new data becomes available. In the proposed KM system, users don't just filter search results; they create a collaborative workspace with like-minded colleagues.

## Recommended Council Actions

- Develop and facilitate webinars or educational events to explain the usefulness of KM to the sector.
- Organize and coordinate a KM requirements definition symposium with the Forum in 2010.
- Define a set of functional requirements for the KM system in collaboration with the Forum.
- Establish an implementation strategy for the creation and deployment of the KM system.

## Resources Required to Act

- Staff expertise (already exists within the Forum and the Council) to develop both the architecture and the content.
- Assistance in curriculum development from the Council's and the Forum's Education and Professional Development groups, with possible additional input from the field.
- Continued active participation of ICTP Task Force leadership in the KM definition process.

## Approximate Cost of Recommendations

- The appropriate costs related to the design and delivery of a KM system cannot be priced at this time.

The Council on Foundations and the Forum have purposely chosen to limit the definition of KM to functions providing direct and tangible benefit to the sector and maximizing KM's value to the sector. To support this definition, the ICTP recommends educational efforts to inform the sector to the useful benefits KM offers. The ICTP also identified the need for set of common standards for a sector-wide KM system that simplifies the exchange of information and focuses directly on these benefits. Unlike existing KM systems, we believe this collaborative effort by the Council and the Forum holds the potential to engage the various stakeholders in first the design of the Council/Forum KM system and then serve as the primary philanthropic platform to connect with others in ways that create a common system for the sector.

### The Council's Leadership and/or Service Role

*An important collaboration between the Council and the Forum, already under way, will define a joint set of requirements for a KM system addressing grantmaker needs, including how the new KM system works with existing third-party resources. The Council and Forum will convene a symposium in 2010 to aggregate the work of grantmakers, content providers, information distributors, and funders in an attempt to define sector-wide KM functional requirements and open standards allowing disparate systems to share information. This work will be augmented by an educational framework complete with webinars and conference sessions to help the sector better understand the relevance of KM to its work.*

### General Recommendations

- 1. The Council (and the Forum) should educate the sector about the relevance of KM to their work through a series of webinars, conferences, or other educational opportunities.**
  - Develop and introduce material covering specific KM-related topics.
  - Publish KM-related information and resources directly in the KM system implemented by the Council and the Forum.
  - KM education should address the following questions:
    - What is KM and how can foundations use it to effectively accomplish their mission?
    - What types of technology and resources are required to help people efficiently acquire and share knowledge (such as identifying resources, connecting with experts, improving effectiveness, etc.)
    - How is a large scale, field-wide KM system financially sustained?
    - How will we guide the development and sharing of content through a KM system?
    - What philanthropic standards and common elements must be contained in KM architecture?
- 2. Define the general elements of a KM system common to the sector.** The following principles guide the development of a KM system that is focused on addressing user needs, interoperability with existing technologies, financial sustainability, and essential core values relevant to the field:
  - It is user-definable; each user can customize the KM experience to meet his/her unique needs with the ability to search, subscribe to, and manipulate data based on topic, location, source, and affiliation.
  - Its core values are determined by system users (or stakeholders) who share rights and responsibilities to contribute and review information.
  - It is open to content providers to participate, encouraging collaboration, sharing, and interaction among content providers and users.
  - It leverages shared information to create a more efficient and informed field.
  - It connects and aggregates existing resources, offering interoperability with other KM systems.
  - It is aligned with the outcomes of the symposium (see italicized paragraph above) and other collaborations initiated to determine the key priorities for development *and standards*.
- 3. Develop a shared requirements definition process.** Complete an evaluation of the KM system's functional requirements (architecture) complementing the work of the Forum of Regional Associations of Grantmakers and its partners—which includes a comprehensive needs assessment process. A symposium co-hosted by the Council and the Forum is proposed for 2010 to coordinate a shared requirements definition process. The needs assessment will be reviewed and modified to complete the functional requirements. Prior to the symposium and as a basis for a shared requirements definition process at the venue, the Council and Forum's joint Education Design Team will collect, review, and synthesize all KM requirements definition work done by other groups.

#### Recommended Council Actions

- Develop and facilitate webinars or educational events to explain the usefulness of KM to the sector.
- Organize and coordinate a KM requirements definition symposium with the Forum in 2010.
- Define a set of functional requirements for the KM system in collaboration with the Forum.
- Establish an implementation strategy for the creation and deployment of the KM system.

#### **Resources Required to Act**

- Staff expertise (already exists within the Forum and the Council) to develop both the architecture and the content.
- Assistance in curriculum development from the Council's and the Forum's Education and Professional Development groups, with possible additional input from the field.
- Continued active participation of ICTP Task Force leadership in the KM definition process.

#### **Approximate Cost of Recommendations**

The appropriate costs related to the design and delivery of a KM system cannot be priced at this time. The Council and the Forum plan to engage in conversations with our members, and the broader field, regarding the development of an appropriate KM system in 2010. Some of these discussions may be included within the broader engagement of the field regarding the Task Force's report. Webinars and sessions at the Council's or Forum's annual conferences and other venues will be designed and priced as appropriate resources allow. Costs associated with development and implementation of a KM system is dependent on approved design and cannot be estimated yet. However, the Council has included within its 2010 budget \$80,000 in support of the technical design of a KM system.

Please note that, in general, the recommendations from this report take a multi-phase approach and are meant to be addressed over several years.

# Donor Engagement: Priorities and Recommendations

## The Challenge

*How can community foundations be more successful at donor prospecting and engagement to compete with entities that may have far more advanced operations and strategies? What is the specific role, if any, for the Council in serving this sector's technology needs?*

Through the leadership of the Council, community foundations recently completed the first round of national (BSEF) certifications, which developed sector donor prospecting and engagement; developing both effective outreach strategies and the functional and technical protocols necessary to do outreach efficiently. Many community foundations spend as much time raising new resources as they do delivering effective grants. Effectively recruiting a new generation of donors and better engaging existing donors are even more important for community foundations in these challenging economic times. The competition for prospects places many community foundations at a technical disadvantage against the resource-rich and standardized processes of competitor organizations.

Over the last decade, numerous technologies have been developed to assist in donor prospecting and donor engagement. Although these flexible, cost-effective technologies now exist, the organizational ability and strategy to deploy them effectively throughout many community foundations does not. At a time when foundations have lost asset value and cut back on development staff, community foundations need help implementing inexpensive but powerful technology that more effectively attracts new donors and better maintains current relationships.

## The Benefits of Action

The combination of hosted customer relationship management (CRM) software packages (like SalesForce.com, NetSuite, Microsoft Dynamics) and e-mail newsletter services (like Constant Contact) provide the ability to inexpensively communicate and e-market with a new population of donors. Training the sector to use this technology effectively will result in an increased client base, deeper engagement, and the ability to better compete for and hold on to donor/clients. Specific benefits include:

- Enabling foundations to easily assess the organizational efforts and cost of technologies for donor prospecting and engagement.
- Providing access to low or no-cost templates, project plans, and consulting implementation assistance.
- Reducing marketing and advertising costs and leverage more contact points with prospective donors through shared CRM technology and standards.
- Positioning foundations to use new prospecting tools like social networks and smartphones for "giving" applications.

## Recommended Council Actions

- Develop a series of webinars and regional seminars on the use of new technology in donor engagement and CRM.
- Collect and/or develop best practice case studies of community foundation donor engagement/donor services.
- Provide appropriate technical expertise, perhaps through a working group of community foundation technology experts, on software available for donor prospecting and engagement.
- Help create lists of consultants and organizations that assist with this work for community foundations.

## Resources Required to Act

- Further ICTP group assistance and expertise developing curricula, with possible consulting support.
- Potential support from NTEN, TechSoup Global, NPower, Idealist, or similar organizations in developing lists of assistance providers.
- Contracting appropriate organizations (example: Idealware.org) to develop a comprehensive and objective CRM software comparison and review.
- Assistance in curriculum development and operational standards from the Council's Professional Development group.
- Continued active participation of a community-foundation-based ICTP working group in identifying priorities for donor engagement and prospecting technology and best practices.

**Approximate cost:** to be determined

The ICTP focused on defining a training framework for the sector that included best practices in donor engagement and effective outreach strategies.

### General Recommendation

Community foundations require a holistic program of education and training to help make informed decisions when selecting and implementing technologies that improve donor prospecting and engagement. The proposed curricula would address the following:

- What are effective donor engagement strategies using CRM?
- What is CRM and why should your foundation consider using it?
- What are the various vendors in the marketplace?
- What should you consider in selecting the technologies?
- What is the definition of templates common to the sector?
- What are best practices case studies shared by community foundations (possibly through a KM system)?
- What are follow-up sessions on topics that further leverage related technologies (example: newsletters)?

*(To underscore the benefit of its proposed educational recommendations The ICTP Donor Engagement group will present the Council's board with a successful demonstration and case study of effective donor engagement. The Chicago Community Trust selected and successfully implemented a hosted CRM solution in May 2009, training its staff and integrating it with its primary business systems -- Micro Edge's Foundation Power).*

#### Recommended Council Actions

- Develop a series of webinars and regional seminars on the use of new technology in donor engagement and CRM.
- Collect and/or develop best practice case studies of community foundation donor engagement/donor services.
- Provide appropriate technical expertise, perhaps through a working group of community foundation technology experts, on software available for donor prospecting and engagement.
- Help create lists of consultants and organizations that assist with this work for community foundations.

#### Resources Required to Act

- Further ICTP group assistance and expertise developing curricula, with possible consulting support.
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- Contracting appropriate organizations (example: Idealware.org) to develop a comprehensive and objective CRM software comparison and review.
- Assistance in curriculum development and operational standards from the Council's Professional Development group.
- Continued active participation of a community-foundation-based ICTP working group in identifying priorities for donor engagement and prospecting technology and best practices.

### Approximate Cost of Recommendations

We hope that through the development of a CF Technology Advisory Committee to guide much of this work, there would be little additional costs. However, we encourage the Community Foundations Services team within the Council, along with the CFLT and the appropriate technology experts within this field, to determine if additional costs are necessary to:

- Develop a curriculum at the Council.
- Conduct a software review and inventory document of appropriate equipment/programs.
- Collect lists of technology assistance providers.

Please note that, in general, the recommendations from this report take a multi-phase approach and are meant to be addressed over several years.

## NGO Collaboration: Priorities and Recommendations

### The Sector Challenge

*What are the best ways to implement technology, maximizing both the mission of philanthropy and the work of their grantee partners? How can such technology be shared to scale the effects of a common use of technology in both what philanthropy does and how the field does it?*

The potential for technology to transform the nonprofit sector has changed considerably since the emergence of the Internet and the dot-com crash. The irony is that at the height of the Internet bubble there were far more ideas than there were tangible tools to help foundations and nonprofits do their work. Almost a decade after the dot-com crash, a variety of online tools, social networking sites, mobile devices, and nonprofit technology service providers exist to help foundation and nonprofits use ICT, with tangible results. Unfortunately, while access to basic technology tools and skills has improved for the sector, many entities are still trying to figure out how to apply these tools and leverage their effect in more substantial, scalable ways. ICT's large scale transformational effects are still elusive and limited to specific examples that must be broadened and disseminated for the transformation to occur.

A large part of the problem is the lack of cross-over venues and training opportunities for non-technical foundation management and program staff to learn what exists. Major technical conferences showcasing these innovations are often attended only by the technically adept.

Conversely, most non-technical venues provide limited opportunities for participants to learn about innovative technology or provide compelling examples to excite them. While many appreciate that 21st century philanthropy and technology go hand in hand, there is a lack of urgency by the leadership of foundations and corporate grantmaking programs to engage in appropriate education/information protocols that might enhance the role of technology in our collective work.

### Recommended Council Actions

- The Council needs to create a resource of technology experts to guide (and in some cases perform) the work that's needed. Whether it be a committee of the Council, a task force, or a working group, the Council needs a standing vehicle for the technology and information experts within the field to guide this work using the Council's name and influence within the sector. The Council should work directly with technology related groups who serve the sector to determine the appropriate and most collaborative way to jointly move forward in this leadership work for the broader field.
- Collect and/or develop best practice case studies of how ICT has improved outcomes in nonprofits.
- Assist foundation and nonprofit efforts to design ROI and assessment tools so we can emphasize tangible impact on outcomes and advantages of this approach.
- Define and implement a multi-course education framework on ICT adoption and collaboration, including training curricula/materials and related collaboration seminars/webinars.
- Promote venues for Council members, NGO, and nonprofit service provider collaboration.
- Produce related articles and publications on the topic of ICT and include pervasive "technology-and-the-practice" coverage in all other Council publications and content making the connection between technology and use and improved outcomes.

### Resources Required to Act

- Potential support from experts in the field (The Technology Affinity Group, chief information officers, technology directors, and those technology-focused organizations like NTEN, TechSoup Global, NPower and NetHope) in developing curricula, case studies, impact criteria.
- Collaboration with major NGO technology organizations like NTEN, TechSoup Global, NPower, etc. and engaging in NGO technology venues like NTEN's Nonprofit Technology Conference to cross-promote activities.
- Curriculum development assistance from the Council's Professional Development group.
- Continued active participation of ICTP group leadership in the NGO Collaboration process identifying best practices and educational priorities and curricula development.

**Approximate cost:** to be determined.

Consequently, the ICTP focused on identifying successful models of ICT collaboration and implementation and identifying a set of educational frameworks to assist the philanthropic sector in learning what works and how to measure success in the use of technology. Combining these education frameworks with a promotional campaign offers more opportunities for philanthropy and grantees to elevate their knowledge and use of effective technology.

### **The Benefits of Action**

*To improve productivity and pursue social change, we must bring the philanthropic sector and its nonprofit partners -- into the 21st century. In a time of severely constrained resources, technology solutions can help reduce costs and enhance mission for both giving institutions and those we serve. The good news is that innovative ICT partnerships between foundations and nonprofits exist, and they have been successful in improving the way both parties work and achieve their goals. These partnerships have evolved considerably over the last decade to include consortia, nonprofit technology assistance providers, and other non-traditional partnership configurations. For example, NetHope provides ICT leaders from global aid and conservation NGOs the technology assistance that is illustrative of the innovative models that have evolved and the extraordinary results from collaboration and economies of scale. Similarly, the TechSoup Global partnership between funders and the nonprofit sector demonstrates how technology adoption can be channeled to help nonprofits become more effective and efficient. The challenge is to replicate, expand, and adopt these innovative approaches. To do so, we must take the successful models of technology collaboration and promote them to a much wider audience that has not been exposed to them.*

### **The Council's Leadership and/or Service Role**

*The Council's roles as convener, educator, and sector opinion leader provide the appropriate strengths to promote and educate the field in understanding and utilizing successful models of technology collaboration. The core recommendations involve comprehensive curricula and promotional activities provided by the Council and supported by ICTP task force expertise to help the membership understand and utilize successful models of technology and collaboration. The expectation is the Council, perhaps in partnership with other infrastructure leaders such as the Independent Sector, will implement technology training and promotion through its venues and programming in much the same way the Council melded diversity and inclusiveness into its activities; making ICT a core issue is central to the Council's 21st century philanthropy work.*

### **General Recommendations**

We recommend the Council, in partnership with the Independent Sector or other infrastructure organizations, develop and deliver a multi-faceted education framework supporting nonprofit ICT adoption and collaboration. The goal is to improve productivity and pursue social change. The framework includes a combination of case studies, training sessions, and opportunities for foundations, corporate grantmakers, and nonprofits to meet, collaborate, and demonstrate how these partnerships serve the field. The education framework includes four topics of foundation partnership with nonprofit ICT intermediaries, consortia, and experts to leverage technological innovation:

- **Basic education.** Defining the rationale for funding current technology for NGOs.
- **ICT collaboration models.** Presenting models of successful ICT collaborations including 501c3 partners, consortia, organizational partnerships, NTAPS, and online social networks.
- **Technology product and service delivery.** Highlighting examples of successful collaborations in technology product and service delivery to better deliver and scale ICT for the sector.
- **Technology impact assessment.** Providing examples of collaborations and tools that generate objective data and metrics proving ICT's efficacy for the sector. This

### **Promotional campaign**

The group recommends the Council undertake an active promotional campaign to better define and market opportunities for technology awareness, education, and skill development. Specifically, this includes ensuring that technology forums are a part of all major Council on Foundations venues in the near future.

*(For a more complete description of the proposed educational framework and promotional plan please refer to the document: **NGO ICT – Collaborate to Innovate Report.doc**)*

#### Recommended Council Actions

- The Council needs to create a resource of technology experts to guide (and in some cases perform) the work that's needed. Whether it be a committee of the Council, a task force, or a working group, the Council needs a standing vehicle for the technology and information experts within the field to guide this work using the Council's name and influence within the sector. The Council should work directly with technology related groups who serve the sector to determine the appropriate and most collaborative way to jointly move forward in this leadership work for the broader field.
- Collect and/or develop best practice case studies of how ICT has improved outcomes in nonprofits.
- Assist foundation and nonprofit efforts to design ROI and assessment tools so we can emphasize tangible impact on outcomes and advantages of this approach.
- Define and implement a multi-course education framework on ICT adoption and collaboration, including training curricula/materials and related collaboration seminars/webinars.
- Promote venues for Council members, NGO, and nonprofit service provider collaboration.
- Produce related articles and publications on the topic of ICT and include pervasive "technology-and-the-practice" coverage in all other Council publications and content making the connection between technology and use and improved outcomes.

#### Resources Required to Act

- Potential support from experts in the field (The Technology Affinity Group, chief information officers, technology directors, and those technology-focused organizations like NTEN, TechSoup Global, NPower and NetHope) in developing curricula, case studies, impact criteria.
- Collaboration with major NGO technology organizations like NTEN, TechSoup Global, NPower, etc. and engaging in NGO technology venues like NTEN's Nonprofit Technology Conference to cross-promote activities.
- Curriculum development assistance from the Council's Professional Development group.
- Continued active participation of ICTP group leadership in the NGO Collaboration process identifying best practices and educational priorities and curricula development.

#### Approximate Cost of Recommendation

We cannot, and should not, attempt to project costs for any partnerships created to help support the broader NGO community's work in technology. We anticipate this work will be a partnership with other organizations such as the Independent Sector and/or the National Council on Nonprofits. Such programming is unlikely to begin before 2011.

Please note that, in general, the recommendations from this report take a multi-phase approach and are meant to be addressed over several years.

# Technology Policy: Priorities and Recommendations

## The Sector Challenge

*How can the Council and the broader field of philanthropy affect technology policy at the national level to increase opportunities for the philanthropic and nonprofit sector? How can the Council also help its membership successfully engage in the technology policy area to affect change directly?*

Leadership, information, convening, legal, and legislative work are core activities of the Council. The Council is committed to engaging in those legislative and regulatory policies that can grow philanthropy's role in service to society. Within that definition, technology policy must be a new part of the Council's public policy work in the 21st century. The ICTP sees the Council's – and the sector's – interest in technology policy from two perspectives: Understanding when to proactively lead and inform technology policy, including its application to philanthropy; and when to facilitate its membership's involvement in public-philanthropic partnerships that enhance access to and use of technology, especially among underserved communities

The ICTP recognizes three broad, natural areas for the Council's and philanthropy's involvement:

- Issues of access (for example, through broadband).
- Transparency (for example, through data standards, openness, and net neutrality).
- Standards and collaboration.

## Recommended Council Actions

We recommend the Council include within its legislative/public policy agenda a focus on three broad, natural areas of ICT policy: universal access (example: broadband), transparency (example: data standards and net neutrality), and collaboration through the public-philanthropic partnership. Recognizing that most foundations will not seek to engage in this work, we encourage that a small group of foundations committed to this work to serve as both the advisory group to the Council and as the main implementers of any policy work on behalf of the Council and its membership.

Because the federal stimulus funding is an active public-philanthropic partnership at this time, we encourage the Council to take advantage of this funding and policy opportunity as well as supporting longer term policy initiatives:

- Identify Council membership that can provide specific expertise in the technology policy area through a working group that reports to the Public Policy committee.
- Through the engagement of a Technology Policy Working Group, post on the Council's Web site and in other appropriate communications the core technology policy issues where consensus is evident, including universal access, openness/transparency, and collaboration (specific issues would include broadband, net neutrality, and published data standards).
- Use the Council's Public-Philanthropic Partnership Initiative Web site as a place to host papers developed by and/or endorsed by Council members as a way to share common interest/knowledge and expertise on technology policy directly related to philanthropy.

## Resources Required to Act

- Devoted areas of the Council's Public-Philanthropic Partnership Initiative Web site to ensure information is disseminated in a timely manner and maintained online in an easily searchable and understandable fashion.
- Appropriate staffing of a Technology Working Group that reports to the Council's Public Policy Committee.

**Approximate cost:** to be determined.

All three areas help foundations and nonprofits better achieve their missions and assist the public discourse. Many concepts like standards and collaboration are directly related to other issues the ICTP Task Force addressed. Technology policy, therefore, is cross-cutting and related to best practice use of ICT in philanthropy.

## The Benefits of Action

Public policy obviously plays an important role in the general philanthropic mission of supporting the common good. Two trends in technology policy clearly interest the Council's membership:

1. A few foundations like Ford devote considerable resources to policies promoting affordable and universal technology access.
2. There is a wide interest in the administration's \$7 billion broadband stimulus funding, including how to partner/apply and how best to participate.

Serendipitously, these two trends currently intersect in a once-a-lifetime opportunity for Council membership to leverage government funding at a 5:1 ratio in support of universal access by participating in the broadband stimulus initiative now available. Under the umbrella of broadband policy, not only can the Council and its members take advantage of this short-term opportunity, but its underlying goal, universal access for the underserved, has always been championed by philanthropy. For example, before the stimulus funding, Cisco provided more than \$500,000 in cash and product grant support to One Economy's efforts to facilitate broadband access in low-income communities. From 2004 to 2005, One Economy worked to change state affordable housing finance policies to encourage broadband in the homes of low-income people. As a result, more than 350,000 Americans now have affordable broadband in their homes.

Just recently a joint report by Alberto Ibarguen, president and CEO of The Knight Foundation and Walter Isaacson, president and CEO of The Aspen Institute underscored the importance of such efforts with the statement: "America needs a vision for 'informed communities.' Paramount in this vision are the critical democratic values of openness, inclusion, participation, empowerment, and the common pursuit of truth and the public interest."

The Council, through its Public-Philanthropic Partnership Initiative, can play an important role in this effort by creating support for technology policy. The Council can inform its membership of opportunities and provide concrete examples and advice on how best to participate with the assistance of various member experts. Longer term, the results of this Initiative will produce data and best practices that can be analyzed, shared, and evaluated with individual members (potentially via knowledge management systems the ICTP Task Force is also addressing). With this data, Council members can make better decisions affecting projects and policies in their local communities and advocate more effectively with their government representatives on these issues.

## The Council's Leadership and/or Service Role

*The Council has two important and related roles in technology policy. First, it must assume a leadership role, helping to advance the cause of technology policy within its legislative/regulatory agenda and as part of its Public-Philanthropic Partnership work. At other times and less obviously, the Council must support those members taking the policy lead to effect local change. Through its Public-Philanthropic Partnership Initiative, the Council can take on a number of critical roles defined in the general recommendations below.*

## General Recommendations

The ICTP recommends the following roles for the Council in support of 1) access, 2) transparency and openness, and 3) collaboration on policy priorities:

- **Information and opportunity dissemination.** For example, promoting upcoming broadband stimulus funding opportunities through its communication outreach to members on a timely basis. (This is being done as part of the Public-Philanthropic Partnership Initiative through support from the Knight Foundation.)
- **Best practices promotion.** Supporting and promoting, as best practices in technology-based grantmaking, the role of technology—using examples like Cisco's support of One Economy's "least-technology-served" initiative.
- **Collaboration.** Working with organizations like Philanthropy Northwest and Grantmakers in Film and Electronic Media, which have taken a substantive position in technology and policy discussions—and sharing their work (for example, the latest collaborative Benton Foundation publication on policy discussed below) with the Council's broader membership,
- **How-To Support.** Providing best practice examples from grantmakers on how to participate effectively in the broadband initiative as a philanthropic partner; or once technology infrastructure has been made available locally, how best to use broadband in meeting the needs of our underserved communities and populations.

### Recommended Council Actions

We recommend the Council include within its legislative/public policy agenda a focus on three broad, natural areas of ICT policy: universal access (example: broadband), transparency (example: data standards and net neutrality), and collaboration through the public-philanthropic partnership. Recognizing that most foundations will not seek to engage in this work, we encourage that a small group of foundations committed to this work to serve as both the advisory group to the Council and as the main implementers of any policy work on behalf of the Council and its membership.

Because the federal stimulus funding is an active public-philanthropic partnership at this time, we encourage the Council to take advantage of this funding and policy opportunity as well as supporting longer term policy initiatives:

- Identify Council membership that can provide specific expertise in the technology policy area through a working group that reports to the Public Policy committee.
- Through the engagement of a Technology Policy Working Group, post on the Council's Web site and in other appropriate communications the core technology policy issues where consensus is evident, including universal access, openness/transparency, and collaboration (specific issues would include broadband, net neutrality, and published data standards).
- Use the Council's Public-Philanthropic Partnership Initiative Web site as a place to host papers developed by and/or endorsed by Council members as a way to share common interest/knowledge and expertise on technology policy directly related to philanthropy. The Council shall control the right to determine any content that is posted, using both relevance to philanthropy and size as appropriate criteria. Examples of such documents include:
  - Philanthropy's Role in Creating a Connected America (Benton Foundation)
  - Connecting Communities: Sustainable Adoption of Broadband Technologies through the American Recovery and Reinvestment Act (TechSoup Global)
  - Getting Connected: The Role of Community Foundations in Broadband (New America Foundation)

### Resources Required to Act

- Devoted areas of the Council's Public-Philanthropic Partnership Initiative Web site to ensure information is disseminated in a timely manner and maintained online in an easily searchable and understandable fashion.
- Appropriate staffing of a Technology Working Group that reports to the Council's Public Policy Committee.

### Approximate Cost of Recommendations

- We anticipate the Council's work in this area will be part of our broader public policy work, especially as work in this area relates to the Public-Philanthropic Partnership Initiative. Costs will include maintaining the necessary content resources on the Web site to allow members easy access.

Please note that, in general, the recommendations from this report take a multi-phase approach and are meant to be addressed over several years.

## Summary

*“We don’t schedule leadership moments!”*  
—Ralph Smith, Chair of the Council’s Board of Directors

This report represents the Council’s commitment to serve as a voice and vision for the field of philanthropy and offers a vision of technology in 21st century philanthropy. But we hope the outcome will be much more than a report. We see this as an urgent call to action for the field, for individual foundations and corporate grantmaking organizations, and for support organizations such as the Council, the Technology Affinity Group, the Forum, and others. There is much to do, and no one organization has the expertise or the voice to move forward alone.

### The Council’s Role

The ICTP taskforce prioritized and identified five general areas where the Council can be of assistance to both its membership and the sector in better facilitating 21st century philanthropy and its technological underpinnings. Within each area, the taskforce articulated specific action steps for the Council. These general and specific recommendations are summarized below:

- 1) Taking a leadership role in coordinating the definition of technology standards for grant applications and reporting.
  - Convene the appropriate parties to design the protocol/roadmap for moving forward.
  - Determine foundation support for funding what will be an involved and costly activity.
  - Select and contract with a third-party vendor to facilitate and manage the standards collection process.
  - Identify the necessary stakeholders that will have to be part of the process.
  - Communicate the importance of the standards process to the membership and to current/prospective vendors of grants management/donor management software.
- 2) Promoting knowledge management and its specific benefit to the sector through training and by convening a collaborative process to define such systems.
  - Develop and facilitate webinars and conference sessions to explain the usefulness of KM to the sector.
  - Organize and coordinate a KM requirements definition symposium with the Forum in 2010.
  - Define a set of functional requirements for the KM system in collaboration with the Forum.
  - Establish an implementation strategy for the creation and deployment of the KM system.
- 3) Assisting its membership to learn about best practices in technology innovation that exist in the nonprofit sector through convening sessions at the various conferences and other opportunities to further facilitate such collaborations.
  - The Council should create an advisory group of technology experts to guide (and in some cases perform) this work. The Council will benefit from a group of technology and information experts within the field to guide this work using the Council’s name and convening ability within the sector. The Council, working directly with our Technology Affinity Group, should determine the appropriate way to jointly move forward in this leadership work for the broader field.
  - Collect and/or develop best practice case studies of how ICT has improved outcomes in nonprofits.
  - Assist foundation and nonprofit efforts to design assessment tools that show tangible impact on outcomes and advantages from the use of technology.
  - Define and implement a multi-course education framework on ICT adoption and collaboration, including training curricula/materials and related seminars/webinars.
  - Promote venues for collaboration among Council members, NGO, and nonprofit service providers.
  - Produce articles and publications on the topic of ICT and include pervasive “technology-and-the-practice” coverage in Council publications, making the connection between technology use and improved outcomes.

- 4) Engaging in and assisting the Council membership to engage in technology policy that targets access, openness/transparency, and collaboration—and doing so through more strategic information sharing.
  - We recommend the Council consider, within its legislative/public policy agenda, a focus on those technology policy issue areas that directly relate to philanthropy. They may include three broad, natural areas of ICT policy: universal access (example: broadband), transparency (example: data standards and net neutrality), and collaboration through the public-philanthropic partnership.
  - Identify Council membership that can provide specific expertise in the technology policy area, through a working group that reports to the Public Policy committee.
  - Through the engagement of a Technology Policy Working Group, post on the Council’s Web site and in other appropriate communications the core technology policy issues where consensus is evident. Specific issues could include broadband, net neutrality and published data standards.
  - Use the Council’s Public-Philanthropic Partnership Initiative Web site as a place to host papers developed by and/or endorsed by Council members as a way to share common interest/knowledge and expertise on technology policy directly related to philanthropy.
  
- 5) Helping community foundations better understand the relationship between effective customer relationship management (CRM systems) and successful donor prospecting and engagement strategies through training and best practice dissemination.
  - Host a series of webinars and regional seminars on the use of new technology in donor engagement and CRM.
  - Collect and/or develop best practice case studies of community foundation donor engagement/donor services.
  - Provide access to appropriate technical expertise, perhaps through a working group of community foundation technology experts, on software available for donor prospecting and engagement.
  - Help create lists of consultants and organizations that assist with this work for community foundations.

#### From Report to Reality: Moving Forward

This report reflects the potential role technology can play in 21st century philanthropy. The Task Force has identified those key steps essential to moving toward a more effective use of technology in both what philanthropy does, and how we do it. The recommendations in this report are significant – both in terms of the change they will bring and in the challenges before us in converting them into reality.

For this report to become reality, we recognize the time, resource, and philosophical changes required. We must also recognize the unique context the current economic crisis has created. In a “normal” operating period, the expectation would be to start and complete initiatives addressed in this report sooner rather than later, and, indeed, if fundraising is successful earlier than expected, *we will*. However, as good economic stewards and strategic planners we must realistically accept that the economic challenges of 2009 will continue into 2010 both for the Council and its members. So we will use 2010 as an opportunity to address another critical need of this new technology orientation—creating critical member ownership and buy-in around it. We plan significant outreach in 2010 to gain both financial and philosophical support for implementing the bulk of these initiatives over a three-year period. We must begin with a series of conversations with the sector that seek to articulate the vision of this report. Through this process, we fully anticipate that additional thoughts and recommendations will surface in both what we propose and how we propose doing it.

We encourage the Council’s Board of Directors and then the philanthropic sector to begin this conversation. We, the task force working with the Council’s senior management, have developed a roadmap for this work. At a minimum this will require three years. The development of standards and their implementation will likely take even longer. *But we must begin*. We offer the following for your consideration of how we might best move forward:

#### 2009

- Complete the development of a Standards prototype for use in communications with the field.
- Present the preliminary report to Technology Affinity Group Annual Conference on November 4 or 5.
- Present the final report to the Council’s Board of Directors on November 19.
- Begin preparing the final report for public/sector distribution in 2010.
- Continue the Council’s Public-Philanthropic Partnership’s role in collecting and sharing broadband information and capacity-building to the field, especially as it relates to the second and third Notices of Funding Availability (NOFA).

## 2010

- Complete the public version of the Final Report. Distribute the report electronically to all Council membership, with appropriate press announcement.
- Host Technology and Philanthropy Town Hall Meetings at each of the Council's major conferences and the Forum's Annual Meeting:
  - Family Philanthropy Conference in San Diego (January 31-February 2)
  - Annual Conference in Denver (April 25-27)
  - Community Foundation Conference in Charlotte (September 13-15)
  - Forum of Regional Association of Grantmakers Annual Meeting
  - Other venues as determined.
- Council-Forum will complete design/development and begin delivery of Knowledge-Management Platform and Content. This will be used as the basis for building a larger sector-wide KM system.
- Begin fundraising for development of sector standards; define an appropriate methodology to develop standard data elements (standards or definitions) that are used to categorize information in ways that enable the field's technology to engage and interact through grants management/donor management software.
- Create an advisory group of philanthropy's technology policy experts to monitor and advise the Council on legislation and/or regulations that directly impact philanthropy. Such reports should go to the Executive Office and to the Director of Public Policy at the Council.
- Share appropriate technology policy related to philanthropy with the field through both our Public-Philanthropic Partnership Initiative Web site, and if appropriate, the Public Policy section of the main Web site.

## 2011

- Based upon successful fundraising in 2010, convene the working group and consultants to begin work on sector standards for grants management/donor management software.
- Continue work on KM content and possible expansion to partners beyond the Council and Forum.
- Define a set of functional requirements for the KM system beyond the Council and Forum.
- Develop and facilitate educational sessions to the field introducing the KM system.
- Anticipate a joint Council-IS project to develop educational framework on ICT adoption and collaboration for NGOs, based upon our report and the expected work of IS in this area during 2010.
- Collect and share best practices case studies of how ICT has improved outcomes in nonprofit delivery.
- Working with the CFLT, Community Foundation Services, and the Professional Development Division at the Council, create a series of educational deliverables for community foundations on new technology and donor engagement.
- Working with the CFLT and Community Foundation Services, collect and share best practices of community foundations donor engagement/donor services through technology.
- Develop a small working group of community foundation technology experts through the CFLT to advise the Technology Standards Working Group on what, if any, such standards are needed to support the field's work in donor engagement.
- Through the Community Foundation Services Division, create a list of consultants and organizations that can assist community foundations in the adoption of technology related to donor engagement/donor services.

## 2012

- Determine what project timelines need to be extended.
- Continue work—and, we hope, completion—of the development of appropriate standards. (This would then require a new round of education and conversation with the field and the sector's vendors to achieve consensus and buy-in for this important work.)

## Conclusion

The Benton Foundation recently published “Philanthropy’s role in Creating a Connected America.” The paper begins with these words:

*“America stands at a critical point in our history. Like the railroad, telegraph, highway and telephone systems of previous generations, broadband is changing our lives in fundamental ways. Whether we support efforts in education, health care projects, or the environment, our work as philanthropists is very different today than it was yesterday. But applications and services delivered via broadband, high speed Internet access, are still in their infancy. Opportunities like this—to fundamentally shape the infrastructure that will connect us for the foreseeable future—come along once in every second or third generation, if we’re lucky. Imagine Detroit public school students connecting to NASA to discuss space travel with world renowned astrophysicists. Or a patient and doctor at a health clinic in Indian Country conferring and analyzing medical charts with specialists at Johns Hopkins in Baltimore – in real time. It’s all possible.”*

These words, while directly referring to the role of philanthropy in extending broadband coverage to the most remote areas of America, are also relevant for the broader opportunities and challenges facing all of philanthropy and technology. As we said at the beginning of this report, technology is poised to change both what philanthropy does and how we do it. This is a challenge and an opportunity that cannot wait for a future time when economics are more comfortable and resources are more available. If done properly, technology can result in dramatic savings in the cost of our work and equally dramatic outcomes in the impact of our philanthropy. This is our sector’s moment for leadership.

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