

CFLT IDEA LAB 2008

Discovering innovation through collaboration



COUNCIL *on* FOUNDATIONS

Community Foundations Leadership Team

Outsourced Back Office Project Report

Regional Learning Forum
June 9, 2009

Southwestern PA

Community Foundation Group:

CF of the Alleghenies
CF of Fayette County
First CF of Pennsylvania
CF of Greene County
The Pittsburgh Foundation
The CF of Westmoreland County

Project Consultants:

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Objectives

Through consolidation, affiliation or purchase of services, SPCFG hopes to achieve:

- More effective & efficient operations,
 - Maintain or expand staff capacity, and/or
 - Reduction of costs
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Collaboration Models

➤ Consolidation Model:

- Merger of two entities

➤ Umbrella Model:

- One foundation offers core services to other incorporated community foundations

➤ Affiliate Model:

- One incorporated foundation offers services to other unincorporated community groups who focus on local mission

SPCFG Service Template

➤ Accounting:

- General ledger & reports
- Accounts payable
- Vendor Payments

➤ Investments:

- Seamless processing
- Not looking to establish common pool

➤ Donor Services:

- Gift processing
 - Fund information
 - Prospect tracking
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SPCFG Service Template (2)

➤ Grantmaking:

- Grants Processing
- On-line Applications
- Grant Management reports

➤ Human Resources:

- Salary administration
- Benefits solutions

➤ Website:

- On-line donations
 - On-line Fund statements
 - On-line Policies & procedures
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SPCFG Approaches

➤ Local Implementation:

- Delisi & Associates – Local CPA firm who learned how to use FIMS (Host.net)

➤ Regional Implementation:

- The Pittsburgh Foundation – considering offering services to all SPFCFG members

➤ National Implementation:

- ChesterCap (Owner of Dotche) – has business plan to establish national back office

Important Relevant Research

➤ La Piana Consulting

- Great framework for anyone considering this topic

➤ Silicon Valley/Peninsula Merger

- General overview of merger expectations and legal Memorandum of Understanding (MOU)

➤ ChesterCap Strategic Overview

- Innovative proposal for IT and support services

➤ Berks County/Philadelphia Study

- Detailed look at cost structure and potential savings

Path Forward

- **Leadership** – takes Board and CEO commitment
- **Convening** – establish Steering Committee
- **Compromise** – requires standardization
- **Analysis** – results will differ by foundation
- **Funding** – a national solution will require seed capital or critical mass of early adopters
- **Look Back** – what are the lessons learned from CFA, MLLCF and TSC?

Questions?

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