

Questions to Ask...

...about foundations formed as the result of nonprofit conversions.

As philanthropic organizations formed from assets held for public benefit, new foundations should be responsive to the communities they serve. They should also be highly accountable for their stewardship and effective use of these community assets. Here are some questions any foundation should be willing and able to answer forthrightly. If your community is served by a foundation formed from assets of a nonprofit hospital or health plan, these questions might serve as the basis for discussion with the foundation about its work and its role in the community.

1. What is the foundation's mission or purpose? How was the mission statement developed? Who participated? What information about the community was considered? Is the mission reviewed periodically?
2. Whom does the foundation intend to benefit? What will change for these people if the foundation is effective? How are the views and experiences of targeted beneficiaries represented in the ongoing work of the foundation?
3. What are the foundation's current goals? What does it seek to accomplish? Within what time period?
4. How does the foundation engage the community it serves in planning, implementation and evaluation of its work?
5. What are the review process and criteria for grantmaking? For foundation initiatives determined other than by reviewing proposals? How are funds allocated between grants and other funding commitments?
6. What non-grantmaking activities does the foundation pursue? How do these support the achievement of key strategic goals?
7. How does the board assess and measure its own progress toward organizational goals? How widely are the results of self-assessment shared?
8. Who currently serves on the governing board? Does the foundation have goals related to board diversity and if so, what is the current status? What qualities are sought in recruiting board members?
9. What is the nominating process for board members? Do any non-board members participate? Are there opportunities to suggest people to be considered for service on the board?
10. What percentage of funds paid out each year goes to grants, overhead expenses and contracts for foundation initiatives? What percentage of funds paid out each year goes to nonprofit organizations, community-based organizations, general support grants, advocacy, direct services and research?