



A FIO PARTNERS PERSPECTIVE:

The Question of Sustainability: A Challenge for the Decision Makers who make Investments in the Nonprofit Sector

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During the last seven years, I have had the pleasure of working with a large conversion foundation located in the south formed from the sale of two non-profit hospitals. I began my work with this foundation by assisting them in establishing policies relative to evaluation of their grants. Like many foundations, this one divided its grant making into two areas: (1) responding to “over the transom” requests, and (2) strategic grants, those that the foundation itself initiates and that are usually multi-year initiatives reflecting substantial sums of money. After a few years of operation, the Grants Committee recognized that the first strategic grants would be complete within the coming twelve months and the Board of Directors and staff would soon be faced with decisions about continued funding of these projects and/or organizations. This raised the whole question of “sustainability” and what that meant. With the support of the then Director of Evaluation Services, I developed these materials to help shape trustee understanding of this important issue. I believe that what we learned may be helpful to any decision maker from any type of funder, whether foundation, corporate or government.

After a few weeks of searching, I found very little that was useful and nothing that was succinct enough for our needs. I came to realize that the issue of sustainability is embedded in a much wider discussion of the value of philanthropic and government investment and the accountability of funders in the sector. I could identify no efficient means of capturing and integrating the various methods of achieving funder effectiveness, the issues related to sustainability, on-going decision-making about individual grants, integration of learning from evaluation, and so on. As much out of frustration as design, I began with a blank piece of paper.

Why grant in the first place and what does sustainability really mean?

Before tackling the issue of how to figure out how and why a particular grant should be sustained, and what that means

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