



Partners for Impact, LLC

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Triangle Capacity-Building Network: Final Report of Pooled Funding Activities

BACKGROUND

Since 2014, funders from across the Triangle region of North Carolina have been meeting regularly to talk about the nonprofit sector and the desire to see agencies succeed and build their internal capacity. Since that time the Triangle Capacity-Building Network has commissioned research, engaged nonprofits in conversations about capacity building and built a strategic direction with a desired outcome of creating strong nonprofits in the Triangle region of North Carolina. One of the most important lessons from the data compiled by NC State University's Institute for Nonprofits that guides the collaboratives overall direction is that nonprofits report having lower levels of adaptive capacity, those which primarily focus on challenges for which there is no single answer. The collaborative has identified the following key outcomes for this capacity building effort:

- Nonprofits have skills, knowledge, and commitment to adapt, innovate, and improve
- Nonprofit leaders and potential leaders have skills, knowledge, and commitment to adapt, innovate, and improve
- Nonprofits have access to skilled, diverse, and high-quality capacity building providers and opportunities

The Triangle Community Foundation contracted with Partners for Impact to provide services to the Triangle Capacity-Building Network. The contract was to design and implement a funding process to invest up to \$25,000 in organizations for capacity building. Additional elements of the contract were associated with providing backbone support for the Triangle Capacity-Building Network, and will not be reported on here.

This report is a summary of key activities and lessons that were learned throughout the process of designing and implementing a funding distribution process. It culminates in recommendations moving forward at the process level and for the network as a whole.

KEY DECISIONS BETWEEN JANUARY AND JUNE 2019

Based on the previous work of the Pooled Funding Workgroup for the Triangle Capacity-Building Network, Partners for Impact staff started building a funding description, criteria and application. Originally, the focus was two fold: 1) Investing in the leadership development and capacity building of leaders of color, and 2) investing in capacity building efforts of organizations led by people of color. Discussions amongst the workgroup members and with the United Way of the Greater Triangle and Unity Fellows program led the workgroup to focus solely on the capacity building efforts of nonprofits led by people of color. The individual leadership development could be folded in to this capacity building as an alternative if desired by the organization. There were several discussions about the amount available for funding and the workgroup agreed to a maximum of \$25,000. Despite a variety of conversations there were no additional organizational parameters that were placed on the application pool. An RFP was completed and can be found in Appendix 1.

PROPOSED AND FINAL TIMELINE

The table below presents both the proposed and actual timing of activities.

Activity	Proposed Date	Final Date
Description of funding and funding guidelines developed	February 5	
Approval of guidelines by funders	February 10-13	March 20
Application completed	March 10	March 30
Electronic application through TCF available	March 15	April 9
Public release - joint press event	March 21	April 23
Training and technical assistance	March	April 23/May 2
Due Date	May 10	May 28
Funding decision meetings	May 15 - May 25	June 20
Awards communicated	June 1	June 25
Celebrate and evaluate this process	June 15	August

TECHNICAL ASSISTANCE

Partners for Impact staff facilitated two technical assistance sessions. These sessions were well attended with nearly 40 people attending both sessions. Slides were prepared and can be found in Appendix 2. One of the most frequent questions focused on, “what is capacity-building?” Generally speaking the TA providers kept in mind the fact that this was one time funding and encouraged potential applicants to make sure they were avoiding an ongoing funding need. They were also encouraged to be clear about not expanding program activities.

In addition to the TA sessions, staff provided consultation over the phone and via email. Again the majority of the questions focused on what is capacity-building and organizational eligibility. The majority of eligibility questions were around the organizational leader of color requirement, but there were some who were trying to see if their geographic area fit the criteria.

As a result of these questions, a Frequently Asked Questions guide was created and mailed to TA session participants and made available on the website. It is found in Appendix 3.

APPLICATION DATA

A total of 72 applications were received, representing \$1.5 million dollars in requests. The average staff size for an applicant organization was 7 staff members. There were 24 agencies with one staff or less. One organization had 140 staff members. The average organizational budget was \$725K. The highest organizational budget was \$15 million, and the lowest was \$ 1,000.

INELIGIBLE APPLICANTS

Several did not meet the POC leadership standard. With one exception, none of these attended the training sessions for the RFP process. A couple of agencies did not meet the geographic requirements. The main office for these applicants was outside the Triangle and they tried building their case around one county in the area. One was advised that they did not fit, but they were more than welcome to try if they felt like the process of applying was worth receiving a “no” funding decision. A couple of groups were excluded either because they were not a nonprofit or a nonprofit in good standing. This was largely determined based on the inability to find any information in Guidestar, IRS data, and other nonprofit databases.

SEEDS might prove to be a good example of how a white led organization is changing to be more reflective of the community where they are located and the community who they serve. SEEDS has a long history of working with youth of color who live close to their two-acre urban garden. They were ineligible because they have a white Executive Director and their board is only 47% people of color. They are working to transition an Assistant Director into the organization who reflects the community around SEEDS, and continue to engage new board members from the community who reflect the young people they serve; all of who are young people of color. After three-four months of overlap the

current Executive Director will be leaving. All staff have participated in racial equity and power analysis training. This may be a good case study in how to get white founded/led organizations to build more equitable organizations.

INITIAL DATA ANALYSIS OF APPLICATION DATA

Partners for Impact was able to do some initial analysis of the data available in the applications. Because the answers were in a narrative form, the analysis was qualitative in nature. Limited resources prohibited thorough coding and validity testing. However, as a result of interests expressed by the funders, three questions were read and summarized. These applications provide even more opportunities for analysis with additional resources.

Capacity Building Needs

Capacity building requests fell into two big categories: 1) Marketing and fundraising activities/plans and 2) strategic planning. To a lesser degree board development, improving organizational equity and program evaluation and monitoring were also categories for capacity building requests. Despite explicit instructions that this was not about expanding a service, program or hiring staff there were still about 15-20% of the applications that fell into that category. Finally, there were 3-4 agencies that were seeking funding to build the capacity of others that were part of their network.

Barriers to Capacity-Building Resources

The second question raised by the funders was around what the barriers were to receiving capacity-building support. There were a couple of organizations who said they had no challenges to accessing capacity-building activities. Some had already received capacity-building support in the past, but not for the project being supported through this funding process.

A significant number of applicants talked about funders focusing on program support and not capacity-building support. This was particularly true when agencies talked about their relationship with governments who strictly fund program related activities. Applicants shared their perceptions of funders being risk averse, and donors believing that staff do not need to be paid the same or at all, and volunteers should be used. A couple of different organizations acknowledged the potential for reimbursement processes for their program work, but that they needed demonstrated results from their program efforts, infrastructure to complete billing and reimbursement forms, and cash in the bank to carry them over till these reimbursements are paid.

Organizational size and stage were discussed as barriers to leveraging capacity-building support. Some said their organization was perceived as too big and too old, and that all types of donors believe they do not need this support. Others talked about being too new and not yet able to demonstrate long-term results to their stakeholders. Many of these smaller organizations said it was more important for them to focus on program development in order to demonstrate they were effective stewards of any support they would receive. Some simply said the competition for these

limited, flexible dollars was too great. A few organizations talked about not having fundraising capacity to apply for a lot of different opportunities that enabled them to receive flexible dollars.

Demand for services is increasing. This was an important factor for some organizations who said that this funding opportunity was important. It gave them the ability to invest more in meeting the growing demand and seek out capacity-building support.

Finally, organizations talked about the barriers to capacity-building support as a racial equity issue. They experienced the disparity. One organization was very specific in saying that as an organization led by a woman of color, they experienced their peers/partners having more access to different types of flexible funding. One organization also talked about being a small organization led by people of color who were asked to partner with a white led organization. The expectation was that they would bring additional resources to the partnership. The reality is they needed extra resources to participate in the partnership.

Role of Racial Equity in Organizations

The final question analyzed was the focus on racial equity and how the applicant was building a racially equitable organization and community. The answers reflected a range of understanding regarding the issue of equity. Some organizations had a pretty thorough rationale for their work in communities of color. However, that was the limit of their demonstrated commitment to racial equity. One organization said,

Our program serves children, overwhelmingly from the S.E. Raleigh, NC community. The ages range from 3-years old in our pre-k module, to the time they graduate from high school, and enter college. Over 95% of our participants are African American children; and over 90% are from low-income households (based on their participation in free/reduced lunches).

Raleigh, NC consistently rates among the best cities in America to live, and raise a family. However, a 2014 joint report done by Harvard and UC-Berkley entitled, "The Geography of Intergenerational Mobility in the United States," ranked Raleigh forty-eighth among the 50 cities listed in the survey, in socioeconomic mobility. The study found that 95% of residents born in poverty, in Raleigh, NC never reach the top 20% in income.

We believe education (STEM education in particular), is the key to producing young adults, who are able to secure sustainable, livable-wage careers. Such careers will effectively break the cycle of generational poverty that is so persistence in communities of color. We further believe, that a high quality education is the greatest tool in achieving racial equity in our society.

This is one of several examples where there is no mention of how the organization is trying to build an equitable organization.

Most organizations focused on the fact that they have, and try to hire, staff that reflect the communities that they serve. For example, one applicant simply responded by saying, "As our

demographics indicate, we have achieved racial equity relative to people of color in the organization, in leadership positions, and in the community we serve.” Another one scarcely answered the question by stating, “Our organization,” when responding to building equitable organizations and communities. Many organizations then take the next step in training staff on issues of racial equity (the Racial Equity Institute was named several times). These two strategies made up the majority of how they are building equitable organizations and communities.

Some organizations are beginning to think about how to build an equitable organization and are more descriptive in how they discuss it. For example, an applicant says,

We are explicit about how over policing disproportionately impacts black and brown youth in all our messaging. Internally, we ensure board and staff are majority people of color. We have ground rules which we display at general body meetings that are explicit about creating a space grounded in challenging anti-blackness. Our leadership development includes robust political education to ensure we're organizing in a way that is welcoming for people of all identities affected by policing.

There are several organizations who are really beginning to use equity as a lens for what they are trying to do and have incorporated it throughout their organizations. El Pueblo one of the funded projects described it as follows:

We incorporated racial equity objectives into each of our overarching organizational goals. We have adapted the content of our leadership development programs to prioritize information about how US immigration policies have been and continue to be a reflection of racial oppression and anti-blackness. During our mid-year and end of year staff, board and community leader retreats, we collectively review the level of progress we have made around specific benchmarks and modify for the following 6-month period. At the end of 2018, we made a commitment to addressing an aspect of white supremacy culture that frequently manifests itself at El Pueblo: the fear of open conflict. To address this, staff members identified how they are currently dealing with conflict and what they need from one another in order to effectively engage in conflict. In addition, we have updated our process and criteria for coalition work to prioritize supporting coalitions that are led by and/or supporting other people of color-led organizations.

Other organizations are taking it a step further and engaging their constituencies in these conversations as well. For example, “SAF provides racial equity training and reflection for our constituents because we want it to be an institutional part of our organization. We coordinate equity training every year with staff and student participants to strengthen relationships and to promote balanced power dynamics between co-workers, students, and partners.” Other organizations are encouraging these conversations across all parts of the organization.

One organization, Fiesta Cristiana is a Hispanic Congregation in Apex and is part of four congregations that make up Apex United Methodist Church. They are attempting to work within and change a very traditional structure. According to their application,

The UMC has taken a strong stance against racism in writing and Fiesta Cristiana (one of four congregations in the Apex UMC Cooperative Parish Model) embodies those words and calls the church to support documentation with action. Fiesta Cristiana presents an opportunity for the Apex UMC Family of congregations to grapple with the issues of racism, including the structural racism inherent to a 150-year-old institution. This year, Fiesta Cristiana would like to provide leadership in building the diversity, equity and inclusion within the cooperative parish by hosting training provided by outside trainers who specialize in this work. Fiesta Cristiana is providing funding and leadership by pioneering attendance to racial equity institutes and employing the systemic learnings within the cooperative parish as a whole. In addition, Fiesta Cristiana is leading an effort that would change the organizational structure of our Cooperative Parish to inform the culture of leadership committees, hiring practices and staff training procedures, and the preparation of pastors appointed to a multicultural church. We currently have a Comprehensive Plan for Inclusiveness (out of which Fiesta was birthed) that has been in place for ten years; however, we are continually advocating to grow past the current plan and reflect the decade of indigenous leadership developed at Fiesta. We are engaging the larger community through mutual mission in efforts to create an alternative imagination for mission with, lead by Fiesta, through an empowerment model that heals the charity model by which many outside of Fiesta often approach the community.

There are many different interpretations of building racially equitable organizations and communities. One of the recommendations will be for the participating funders to build some more structure around what this work means.

REVIEW PROCESS

Based on the discussions with the Pooled Funding Workgroup, Partners for Impact recruited a review panel comprised of all people of color. This was an effort to acknowledge the fact that many of the funders were organizations traditionally led by white people. The reviewers received a simple stipend of \$250 to review, score and participate in making the funding decisions.

The group reviewed 49 eligible application, after the Triangle Community Foundation eliminated ineligible applications. Each agency, with the exception of one, had three reviewers. Using a 1 (strongly disagree) to 5 (strongly agree) scale, reviewers scored the application based on the following criteria.

- The applicant clearly differentiates capacity building activities from operational activities.
- The applicant demonstrates that the proposed capacity building activities are meeting the identified capacity building needs.

- The applicant demonstrates that the proposed capacity building activities are consistent with the requested funding.
- The applicant has a demonstrated history of building equitable communities.
- The applicant demonstrates that they have traditionally had challenges leveraging and accessing unrestricted funding for capacity building.

Each reviewer scored the individual criteria. Those scores were added together for a total score. The three total scores from each of the reviewers was averaged. In addition, each reviewer was asked to answer “yes,” “no,” or “maybe,” as to whether the application should be funded. The average scores were ranked from highest to lowest. Interestingly enough, for the most part, the scores reflected the yes, no and maybe count. In other words, the top scores tended to receive three “yes” recommendations.

The reviewers met on June 20, 2019. Prior to making the funding decisions, we had a conversation with the reviewers about the impressions they had of the process overall. Some of the initial comments focused on the disparity in organizational budgets. This disparity led to two different conclusions. First, those with lower budgets tended to have a harder time building their case. Second, regardless of budget size, there were very similar capacity building needs among the various organizations. Ultimately, this led to questions about the funders and their willingness and ability to support and meet organizations where they are enabling them to participate.

The reviewers deliberately talked about organizations “led by people of color.” They challenged the funders to continue to understand the unique capacity building needs of different types of organizations. Organizations founded by people of color and rooted in that community may need something different than a person of color who is leading a white organization. Is there a real commitment and authenticity to creating an equitable organization in white organizations whose Executive Director is a person of color? If so, how do we recognize this? Do we need to support these individual leaders in a unique and different way?

The reviewers saw a pattern in the capacity-building requests. The requests fell into the categories of evaluation, strategic planning, fundraising, communications and board development. However, they echoed the question that has been part of this whole process: What are the best examples of a capacity-building projects? They encouraged us to continue to better define and provide guidance to applicants, advising us to differentiate between capacity building and expanding programs/staff, provide examples that encourage choice without dictating what will be done, and provide more support in proposal development.

Finally, the review panel discussed the importance of the Triangle Capacity-Building Network in defining some equity goals with this funding process. They felt like many of the answers to racial equity found in the applications were weak. Sharing these goals would help applicants understand the long-term outcomes created by the capacity-building activities and improve the applications.

They also acknowledged that creating these specific goals would create a message that could be used by many different stakeholders interested in improving racial equity in the nonprofit sector.

After the discussion, the panel walked through the top applications. They shared perceived strengths and limitations of the top applicants and made decisions as they moved down the list. At some point, the group acknowledged that there was an overrepresentation of applicants from Durham who were receiving funding. They considered some additional organizations and made some adjustments based on that overrepresentation.

FINAL FUNDING DECISIONS

The following organizations received funding for their projects

- Hispanic Liaison of Chatham County - \$13,300 for building a program monitoring system and evaluation planning/implementation
- Village of Wisdom - \$25,000 for strategic planning and an organizational culture shift
- StandUP Speak out of NC - \$15,000 for a fund development plan
- StrongHER TogetHER - \$10,000 for strategic planning
- BUMP The Triangle - \$11,000 for a fund development plan
- Carolina Justice Policy Center - \$11,375 for a fund development plan to include training and day-long retreat to initiate planning process
- The Marion Cheek Jackson Center - \$25,000 for leadership development of people of color from the community and succession planning for a new Executive in 2020 that builds more racial equity.
- El Pueblo -\$15,000 to create a new strategic plan that is more adaptable than the previous strategic plans they have been operating under.
- Student Union - \$25,000 for a new marketing and communications plan to redesign their message

Some of the characteristics of these organizations that may have been factors in funding are:

- Their board composition was a majority of people of color;
- They identified activities that enabled good use of one time funding;
- They demonstrated their connectedness and emergence from the communities of color that they serve; and
- Their analysis and commitment to racial equity was beyond the number of diverse individuals involved in the organization. Nearly all of those funded discussed how this was a lens used across the entire organization.

A couple of other quantitative descriptive elements include the fact that the average budget of those funded is \$588,000. The largest organizational budget is \$2.8 million, and the lowest is \$1,000. The average number of staff is 6. There is one organization with no paid staff at this time and one with 23.

IMMEDIATE NEXT STEPS

Partners for Impact makes four very specific suggestions to complete in the next couple of weeks.

1. Write a press release announcing these applications and submit it to local media outlets.
2. Post the list of grantees on the website.
3. Host a meeting with the grantees and lay the groundwork for creating a learning community among this cohort of grantees.
4. Submit proposals for sharing this information to the Collective Impact Forum, the North Carolina Center for Nonprofits Conference, and the North Carolina Network of Grantmakers Conference

RECOMMENDATIONS

The following recommendations are based on the work that Partners for Impact completed over the last six months as a result of the pooled funding RFP that was designed and implemented for the Triangle Capacity-Building Network. There are three sets of recommendations. Those that are based on the RFP itself, including the application and decision-making process. The second set of recommendations are based on the cohort of funded projects and are geared toward helping learn lessons from those who are funded. The final set of recommendations are designed to help gather data and shape future investments in building a more equitable nonprofit sector.

RFP PROCESS RECOMMENDATIONS

Specify eligibility for organizations whose boards are made up of a majority of people of color. This criteria can be met based on the application pool. In addition, build a question that helps get at how these communities are rooted in communities of color, including those communities they serve.

Use a **drop down box for capacity building activities** that would be funded. This could help focus the request and help applicants understand what is a good capacity building project. You would also be able to limit the number of activities that could be funded. There were organizations that wanted to accomplish five or six different capacity-building activities with their application.

Support, through technical assistance on the front end of the application process, **the development of anticipated objectives/outcomes of the capacity building activities.** Assist organizations in thinking through their logic model to ensure that needs and activities are aligned, and that there is some metric of success beyond the funding received. This type of exercise is a capacity-building activity in itself and could be a requirement for eligibility.

Identify some **indicators of change with regard to racial equity in the nonprofit sector** and encourage applicants to share how their capacity-building efforts would lead to that change. These may need to be created with nonprofit leaders of color over the next year.

Place a budget cap on the organizations who are eligible. While the capacity needs are the same across all organizations, spending time reading and deliberating on an application whose organizational budget is \$15 million may not be the best use of time. A liberal recommendation of \$2.5 million would still result in a high number of applicants, while a more conservative recommendation of \$1 million will reach the organizations most likely needing this type of support.

Continue to **have people of color review and make funding decisions.** In round two, ensure that the grantees are part of the decision-making process. Continue providing stipends and decrease the number of applications that are read by each of the reviewers.

NEXT STEPS WITH THE FUNDED COHORTS

This cohort of agencies will provide an opportunity to gather data for evaluation purposes. Ultimately, it will be crucial to answer the question as to **whether this capacity-building support made a difference and, if so, how it made a difference.** Depending on the available resources there are many ways to go about this process. However, our suggestion is to lay the groundwork for an evaluation process with these agencies sooner rather than later. We suggest that additional resources for both the agencies and an evaluator be set aside.

There is a diverse group of organizations that were funded. The **size of the organization varied.** The smallest applicant agency was funded. They have no staff and a \$1,000 budget. There is an organization whose budget is nearly \$3 million. It would be interesting to set these two as case studies. These organizations are also at different **life cycles**, which could also be a key variable of interest when making capacity-building investments.

It will also be interesting to see **how the various capacity-building activities were implemented.** Were consultants used in all situations? There will be differences in the short-term outcomes associated with the different strategies. For example, the outcomes associated with a marketing and communications plan are likely to be different from short-term outcomes from board development. However, **are there similar long-term outcomes that are achieved?**

All of these organizations have a strong commitment to racial equity. Gathering them in a room to talk about their respective journeys in this process would be an ideal way to identify racial equity goals. Again, making this process easy and compensating individual organizations for their time would support this effort.

DATA AGENDA

There have been many lessons learned through this process and an equal number of new questions has emerged. Partners for Impact suggests that you seek specific answers to a few questions. Investing resources in gathering the data to help answer these questions will improve the funding process over the next few years. Key questions to answer are:

- What are the needs of people of color who are leading white organizations/institutions as they work to improve racial equity within their organization and the communities they serve?

- What are the capacity-building needs of organizations who are rooted in communities of color and led by people of color?
- How do small nonprofit organizations rooted in communities of color effectively partner with larger white led organizations?
- How have white led organizations successfully started creating racially-equitable organizations and the communities they serve?

CONCLUSION

As with any project, there are many lessons to be learned. This document has outlined the process, captured some preliminary data/trends and made recommendations. This work is valuable to the nonprofit sector. and Partners for Impact hopes to continue partnering with the Triangle Capacity-Building Network.

Appendix 1. Request for Applications

The Triangle Capacity-Building Network, a joint project of funders across the Triangle, is making funding available to nonprofit organizations. The collaborative will make investments in organizations led by and working with communities of color for funding targeting organizational capacity-building efforts.

Applications will be due on May 28, 2019 with funding available in July.

Background

Since 2014, funders from across the Triangle region of North Carolina have been meeting regularly to talk about the nonprofit sector and the desire to see agencies succeed and build their internal capacity. Since that time the Triangle Capacity-Building Network has commissioned research, engaged nonprofits in conversations about capacity building and built a strategic direction with a desired outcome of creating strong nonprofits in the Triangle region of North Carolina. One of the most important lessons from the data compiled by NC State University's Institute for Nonprofits that guides the collaboratives overall direction is that nonprofits report having lower levels of adaptive capacity, those which primarily focus on challenges for which there is no single answer. The collaborative has identified the following key outcomes for this capacity building effort:

- Nonprofits have skills, knowledge, and commitment to adapt, innovate, and improve
- Nonprofit leaders and potential leaders with skills, knowledge, and commitment to adapt, innovate, and improve
- Nonprofits have access to skilled, diverse, and high-quality capacity building providers and opportunities

In addition, the partners within the collaborative acknowledge the growing body of data showing that the percentage of leaders in the nonprofit sector who are People of Color has not changed in the last 15 years. The data indicate People of Color represented under 10% of the leadership and that this was despite People of Color having the education, experience and willingness to lead. Data from a North Carolina State University study commissioned by the collaborative funders indicate that 85% of the respondents are led by white individuals. Board chairs were a bit more diverse with 79% being led by white individual, while 13% were Black or African/American. In addition 62% of the CEO's were between the ages of 40 -60. Additional local data compiled by United Way of the Greater Triangle that focused on Orange County demonstrated that organizations led by white people had a significantly higher number of organizational assets and higher revenue when compared to organizations led by People of Color. Systemic racism in the nonprofit sector has led to leadership being exclusively white.

The Triangle Capacity-Building Network will address these issues by investing in the capacity building of nonprofit organizations led by and supporting communities of color.

Organizational Capacity Building

The Triangle Capacity-Building Network will support the capacity building efforts of organizations that are led by and support communities of color.

Examples of grant use might include:

- An organizational assessment for capacity building
- The implementation of organizational capacity building efforts such as board development, staff leadership development, strategic planning, financial management and/or resource development plan
- See the list of capacity building activities in Appendix 1.

Grant Information:

- Estimated grant size: Up to \$25,000
- Grants will be made from Triangle Community Foundation to the nonprofit organization.
- The number of grantees will be determined based upon the applicant pool and funds available.

Technical assistant sessions

- There will be two question and answer sessions for prospective applicants; please register for these sessions by emailing capacitybuilding@trianglecf.org
 - April 23, 2019 2:30 - 4:00 PM at ReCity in Durham, NC
 - May 2, 2019 3:30 - 5:00 PM at Triangle Community Foundation in
- Periodically check the website for Frequently Asked Questions
- For specific questions you can also email capacitybuilding@trianglecf.org

Eligibility and Application Components:

- Applications will be accepted from any incorporated nonprofit organization in the Triangle region, defined as Wake, Durham, Orange, Chatham, and Johnston counties that is led by a person of color and are working within communities of color. An organization whose board of directors reflects the communities of color it serves is also eligible.
- The organization must have their own 501(c)(3) or have an organization serving as the fiscal agent while they are awaiting tax-exempt status.
- The organization must have been incorporated with the State of NC for at least 1 year prior to applying for funding
- Grants will be made based on a plan by the organization to improve its capacity either by completing an organizational assessment, or by implementing specific activities building the organization's capacity
- Applicants will be asked to describe
 - The impact they are creating in the community
 - The strategies being used to build racially equitable organizations and communities
 - The specific capacity building needs and the proposed capacity building activities
- Grants will not fund:
 - Ongoing program activities

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- Contributions to endowment or capital campaigns
- Deficit or debt financing
- Grants solely for the purpose of re-granting

Timeline and Application Process:

- Applications will be available beginning April 8 on the Triangle Community Foundation website.
- Applications are due on May 28, 2019
- Applications will be reviewed and scored online by a group of volunteers.
- Follow-up phone discussions/questions may be required.
- Applicants will be notified by June 20, 2019.

Reporting Requirements:

- Recipients must use all funds within 18 months of receipt. A six month extension can be requested.
- At the conclusion of the grant period, recipients will be asked to submit a report outlining the accomplishments of the funding.
- Recipients will be required to participate on the advisory board that awards the next cycle of capacity building grants as the collaborative moves toward a more participatory grantmaking process.

Appendix 2. Technical Assistance Slides

Capacity-Building Funding

Information Sessions

Triangle Capacity-Building Network

- A group of 14 funders from across the Triangle who are committed to building strong nonprofits.
- Meeting since 2014
- Research through NCSU Institute for Nonprofits
- Conversations with nonprofits
- Strategic road map developed

Two overarching activities

- Building donor education to understand true costs and the importance of overhead as a means of building long term sustainability and capacity.
- Pooled funding to invest in capacity building efforts.

Pooled Funding - A collaborative initiative

- Blue Cross and Blue Shield of North Carolina Foundation
- John Rex Endowment
- Oak Foundation
- Mary Duke Biddle Foundation
- Triangle Community Foundation

New initiative

- Conversation today is as best as we know and understand
- Like all collaboratives, it is never perfect when you start, and you start
- There may be things that have to go back to the partners
- Watch for a FAQ after the training session on May 2nd (probably sometime the following week)

Groundrule for today

- This TA session has several funders represented and it will be tempting to look at them for answers to all questions today. However, because this is a collaborative, those answers may have to wait till we release the FAQ when some consensus has been reached to provide better guidance.

Emphasis on organizations of color

- Growing body of evidence suggesting that
- Few leaders of color in the sector despite preparedness and desire to lead
- Organizations led by people of color have limited access to traditional nonprofit capacity building resources, networks and asset building mechanisms

Purpose of the Capacity-Building RFP

- Provide resources to support the capacity building efforts of organizations led by people of color in the Triangle

Eligible organizations

- Support organizations led by people of color and the communities they serve
- Executive leader who is a person of color and/or a majority of board members who are people of color
- Organizations in Chatham, Durham, Johnston, Orange and Wake Counties

Maximum request - \$25,000

- Must be realistic based on the activities you propose
- May be risky to request more than 10% of your organizational budget
- Number of awards and average amounts will vary and be based on quality of applications and available funding (\$150K).

Capacity Building

- Differentiate from Organizational Operations
- The assumption is that most organizations need help from external resources that are temporary and help the organization build its capacity.
- If you believe that you have the internal capability, you must be able to describe what differentiates it from organizational operations

- Implementing aspects of a strategic plan as it relates to organizational growth are not likely to be viewed as capacity building
- Do not want to set up a situation that is detrimental in 12-18 months

Questions

- Describe the impact your organization has in the community. What community change is created as a result of your work?
- What capacity building activities have you done within the last three years?
- What capacity building activities would you like to do with this funding?
- Why are these capacity building activities important to the organization and needed at this time?
- How is this set of activities different from previous capacity building activities the organization has completed?
- Do you have a plan for implementing these capacity building activities? If so, what is it? If not, do you need assistance in helping define these activities?
- Describe how the board, management, and staff will be engaged in the capacity building efforts? How will you insure that these stakeholders have the time available to participate in capacity building?
- How will you include the communities you serve in this capacity building (This is especially important for changes in program services/activities)?
- What strategies, if any, are you using to build a racially equitable organization/community?

Due date

May 28, 2018

Reviewers will be looking for

- Are the proposed activities consistent with the need of the organization?
- Are the proposed activities consistent with the request for funding?
- Are the proposed activities consistent with capacity building and not operational activities?
- Who are the key stakeholders that must be involved in the capacity building and how are they included?
- How does the organization work towards racial equity and equitable communities?

Reporting expectations

- Goal is for it to be easy

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- Some output of other demonstration of what was accomplished.
- Some accountability for the funding.
- Evaluation participation will be encouraged by all TA participants, email questions, and applicants
- Participatory funding decisions in subsequent years

Questions

Capacitybuilding@trianglecf.org

Appendix 3. Frequently Asked Questions

Triangle Capacity-Building Network Capacity-Building Request for Proposals Frequently Asked Questions

1. What is meant by “led by people of color?”

The collaborative partners have made a commitment to improving racial equity in the nonprofit sector and have committed to supporting the capacity building efforts of organization whose Executive Director is a person of color or whose board is made up of a majority of people of color.

2. What types of organizations are eligible?

Any organization as long as it has a 501(c)(3) is eligible for funding from this process, including religious organizations and educational organizations. Organizations who are incorporated in the State of North Carolina as a nonprofit organization can apply with a fiscal agent.

3. Is program funding from the individual funders participating in this collaborative going to be reduced or jeopardized if our organization receives funding?

No. All of the partners in this collaborative have separate funding processes that are distinct from this process and you will not be penalized for receiving funding from this process.

4. Can collaborative projects apply?

Yes. However, an organization applying under a collaborative application, will not be eligible for funding outside of the collaborative.

5. Are large organizations excluded from this funding?

The partners did not cap the organizational size to be eligible for the funding. However, the intent is for this funding to go to organizations that have difficulty finding traditional sources of funding that can increase an organization’s unrestricted revenue that allows for an investment in capacity building.

6. Is there a maximum request for smaller organizations?

The maximum request is \$25,000 regardless of organization size. However, there was a discussion amongst the partners that, depending on the capacity building activities, anything that represents more than 10% of the organization’s budget may signal a request more suited for general operating support; which is not the intent for this funding.

7. Can an organization apply for multiple projects?

Yes. An organization can do two or three projects. However, do not feel as if you have to get all the capacity building you need in one pass. The partners want to see some depth in the work so that it can be sustained after the funding.

8. Does a consultant have to be identified prior to submitting a proposal?

It is not a requirement to specify a consultant in this process. However, it may improve the application if estimates have been received from consultants to help identify the true costs of the activities to be undertaken with this project funding.

9. Does TCF need the assessment before awarding the funding?

While an organizational assessment is not a requirement of funding that is available from the Triangle Capacity Building Network, it may be useful to refer to that if that has been done without submitting it.

10. Is this recurring funding?

At this time if an organization receives funding, the organization will not be eligible to reapply in any upcoming cycles. The partners hope this will change in the future. However, the intent is to distribute this initial funding and deliberately capture some lessons before making long-term commitments.

11. What if general operating support has been indicated as the next step in building our capacity?

Unfortunately, general operating support will not be covered at this time. Because the pooled funding is limited, the partners do not want to support something that can not be sustained. The intent is to make one time investments for specific projects that move organizations forward without the need for future funding to continue the work.

However, the funding partners are open to creative ideas and approaches. For example, expanding your program by adding three staff in and of itself is not capacity building as is intended for this pool of funding. However, if you need to upgrade your financial tracking and billing systems in order to bill a third party payer so that those staff can be brought on, that would be considered capacity building. Would a feasibility study for a capital campaign be appropriate? This might actually be appropriate capacity building, but it might not be appropriate with regard to your ability to access resources from diverse sources. If you are thinking about a capital campaign, you have a level of organizational capacity that may be superior to other applications that would be reviewed more favorably in the process.

12. Why do you ask an additional question about racial equity?

The partners who have committed to this pooled funding value building racially equitable organizations and communities. They want to know how you are thinking about making change in the

world using a lens of racial equity. While your organization may promote the arts, build affordable housing, or improve kindergarten success, the partners want to know how you think about doing those things in relationship to communities of color that you may be serving and how you are thinking about racial equity. This is also what we mean with the phrase “supporting communities of color.”

13. What are the anticipated reporting requirements?

While not specifically defined, the partners want to keep the reporting simple. Organizations receiving funding will have to share a story of what they have accomplished and how the money has been spent. In addition, organizations receiving funding will be asked to participate as proposal reviewers in a future round of funding, because the group intends to move toward a participatory funding model.