

**SVP Seattle PORTFOLIO GRANT COMMITTEE (PGC):**

**Policies & Procedures**

## The purpose of this document is to provide an overview of the Portfolio Grant Committee including:

## Role

## Committee Structure and Process

## Policies and Operating Procedures

## Roles and Responsibilities

## Calendar

## This is intended as a living document, to be revised annually by members of the PGC.

## **PGC ROLE**

The PGC’s primary role is to manage the capacity building relationships with and support SVP’s portfolio of investees. The PGC monitors each investee relationship to ensure that programmatic outcomes are met, program and organizational objectives are achieved, and sufficient volunteer opportunities are available to build partnerships.

## **COMMITTEE STRUCTURE & PROCESS**

The PGC is comprised of at least nine members serving rotating three year terms. Due to the size of SVP’s portfolio, the PGC is divided into three sub-teams with each sub-team overseeing 1/3 of the Portfolio. **Sub-teams are responsible for working with SVP staff to deepen their knowledge of each investee in their sub-team and understand work that is carried out with the help of SVP volunteers. Each sub-team also makes the initial annual review or exit recommendation that is then reviewed and approved by the full committee.**

The PGC’s work is carried out over the course of a year according to the following phases:

* Sept: Kick off meeting and investee overview
* Oct: Meet with Leads
* Nov: Midyear reviews
* Dec: Debrief on Midyear Reviews
* Feb: Committee Learning/Initiatives
* March: Committee Learning/Initiatives Cont.
* April: Annual Review materials due, Meet with Leads
* April-May: Review materials and conduct in-person discussion with investees
* May/June: Make Refunding Recommendations and prepare Grant Agreement/Feedback Letters
* June: SVP board approves PGC recommendations; Post-mortem & PGC wrap up

*Composition of Sub-Teams*

Sub-teams will be composed to ensure a balanced mix of tenure of PGC members, tenure of investee, and program area of investee. To avoid conflicts of interest, PGC members who may also be Lead Partners will not be assigned to the same sub-team as their investee. Sub-teams will remain as fixed as possible from year to year to ensure continuity and build institutional memory.

*Point Person Role and Assignment*

Each PGC member will be assigned as the point person for one or more investees in their sub-team. **The point person facilitates the midyear review for that investee and the annual review presentation and discussion process.** The aim of assigning a point person is to help establish a strong relationship and rapport between the PGC and the investee. Point persons are also encouraged to establish semi-routine communication with Lead partners to build their knowledge about the investee. Point persons should communicate with Leads in advance of the midyear, annual review process, and at least two - three other times over the course of the year. It’s also beneficial for PGC members to attend events of their assigned investee to help them better understand how the organization operates, its programs and how it interacts with its constituents and stakeholders.

Newer PGC members may be assigned to shadow a point person for a year. This is done in anticipation that a more senior PGC point person may be rolling off the committee in the coming year. Shadows also attend the midyear review and must get up to speed about an investee so they can seamlessly assume the full point person role.

## **INVESTEE REQUIREMENTS**

*Investee Workplans*

Upon receipt of a grant, investees must develop a workplan. The workplan outlines client or program outcomes, program goals and objectives, and organizational capacity building goals and objectives. The workplan also notes areas where SVP volunteers will be involved. Workplans are reviewed and approved by SVP staff.

*Organizational Capacity Assessment Tool*

All investees complete the SVP Organizational Capacity Assessment Tool upon receiving SVP funding. The tool is self-administered by investees and essentially serves as a diagnostic tool for 10 key areas of nonprofit organizational capacity. Investees are asked to review the Tool annually thereafter in conjunction with the annual review process.

*Midyear Review*

A midyear review is conducted for each investee and held at their site. The midyear review includes staff, the PGC point person, Lead Partner and PGC Shadow (if applicable), Executive Director of investee, Investee Board Member, and any program staff they may want to bring. The midyear typically takes 1.5 hours and is usually held at the site of the investee.

Point persons should use the investee’s workplan as a loose agenda for the meeting. Investees are expected to provide a verbal update. Other written materials may be requested as needed. Point persons should address workplan goals and progress but also broader investee-SVP relationship goals.

In advance of the midyear, each investee will provide financial reports (YTD Budget with Actuals; Balance Sheet). SVP staff will then produce a summary of this financial data to assess financial health issues. During the midyear, the PGC point person can determine if additional follow up about these issues is appropriate.

**If after the midyear review there are significant enough concerns about the viability of the relationship, the PGC should consider letting the investee know ASAP that they will not be asked to continue with SVP. There is no reason to ask an investee to go through the annual review process if the PGC already knows they will not continue.**

*Annual Review*

For the annual review process, investees submit the following materials:

* Progress report on current workplan.
* Update on SVP Organizational Capacity Assessment Tool (guides workplan development)
* Draft workplan for the coming year
* Financial Statements
* Most Significant Change report (instructions presented in conjunction with annual review proposal materials but the report is not due until **after** the annual review decisions are made)

After the PGC sub-team has reviewed the materials, investees meet with the PGC sub-team to discuss our relationship.

**Because the PGC is divided into sub-teams, the success of this process relies on each sub-team doing its best to maintain an overall commitment to the stewardship of SVP’s mission. SVP’s Board of Directors provides the PGC with an overall grantmaking budget. For the most part, grants follow a standard curve:**

Year Two $45,000

Year Three $55,000

Year Four $45,000

Year Five $40,000

*Sub-team Recommendations*

Sub-team members will evaluate each investee against their workplan goals and other agreed upon criteria. In addition, the sub-teams also decide if any of their investees are candidates for additional strategic funding, if available. Any extra funds may be distributed at the PGC’s discretion to investees where the PGC believes the funds will have the most strategic impact. The annual curve grants are general operating/unrestricted; extra allocations *can be* restricted for a specific purpose.

In extremely rare cases the sub-team may recommend not funding the investee at the annual review. Sub-team recommendations are given to staff for compilation before the full PGC reconvenes to make the final allocation of funds.

*Full PGC Recommendations*

After the sub-teams have presented their evaluations, the full PGC reconvenes to make a final funding decision. SVP staff compile a matrix outlining the grant history of each investee, the dollar amount requested, the dollar amount expected based on investee’s tenure, and notes on the sub-team’s evaluation. The SVP Board of Directors allocates an annual amount to the PGC for annual review.

The full PGC discusses each investee and sub-team recommendation for their grant until the full committee reaches consensus about the recommendations. The PGC must ensure that it does not go over budget and that there is general consistency across sub-teams in terms of evaluation process. The final PGC recommendation is presented to the SVP board for final approval before investees are notified.

*PGC Feedback*

Once an annual review decision is made and grant amounts are allocated, the sub-teams reconvene for one final meeting to compile feedback to investees. Each investee is presented with a formal grant agreement letter outlining grant terms or contingencies (if applicable), and qualitative feedback from the PGC. The letter outlines recognition of achievements, areas we would like to work on with them in the coming year, and feedback that the PGC may want to communicate to an investee about the status of its SVP relationship or the annual review process and proposal. ***These materials are drafted by the sub-team and then submitted to SVP staff for final editing and delivery to investees.***

Clear and actionable feedback from the PGC is critical to ensure that investees are aware of how they are doing and are clear when they need to address an issue. The PGC should strive to use supportive language as opposed to punitive language. It is our role to help investees strengthen their organizations, not just point out where they are weak.

## **ANNUAL REVIEW CRITERIA & EXIT SCENARIOS**

To make an annual review allocation, the PGC draws on information presented in the annual review process - progress on the workplan, in-person presentation, input from the Lead Partner, the investee’s organizational capacity assessment tool, and any issues that have been previously raised by the PGC in their feedback to investees. The criteria include the following elements:

* SVP’s judgment of the vision, strategy and program of investees
* Investee performance *(meeting work plan goals)*
* SVP’s relationship with the investee
* Investee financial position and management
* Long-term vision for the investee-SVP relationship *(and resolution of outstanding concerns, if applicable)*

*End of Funding Relationships (Exit Scenarios)*

From the PGC’s experience to date, there are five general scenarios that capture the broad range of reasons why the PGC would choose not to refund an investee:

* 1. Success: The agency vision for their SVP relationship has been achieved.
	2. Tenure: Investee has received full five years of funding.
	3. Lack of progress: There’s lack of progress toward goals/objectives or general milestones, or failure to demonstrate program results.
	4. Weak Fit with SVP: There’s lack of potential for SVP dollars, volunteers, or other resources to truly have a long-term impact on capacity-building and/or the investee is not engaging volunteers meaningfully toward goals.
	5. Doesn’t fit guidelines: The program or organization changes significantly such that it no longer fits SVP’s overarching grant guidelines or program areas.

A decision not to refund could be effective immediately or pursued as part of a long-term exit strategy. For example, the PGC may determine that an investee is approaching exit yet make a grant with the intent that the grant is a final grant and that the investee will not be eligible for annual review in the next grant year. Under this scenario, there will be a specific deadline for submission of new volunteer requests and completion of SVP volunteer projects. Planning for exit allows time for the investee to seek out new funding sources, complete existing projects and to “gently end” their relationship with SVP.

**If 3, 4, or 5 is the case, it is the PGC and Staff’s responsibility to make sure this is communicated to the investee in an ongoing manner, and that it is not a surprise.** As stated above, if there are significant enough concerns about the viability of the relationship, the PGC should consider letting the investee know ASAP that they will not be asked to continue with SVP. There is no reason to ask an investee to go through the annual review process if the PGC already knows they will not continue.

*Vision for SVP Relationship*

Early on in their relationship with SVP, it’s important for investees to establish a vision for their multi-year partnership with SVP. SVP’s fundamental mission is to help nonprofits strengthen and grow from one organizational stage to the next over the course of several years (typically 3-5). The vision is unique for each investee and is often driven by their initial SVP grant and the stage of their organization development at the time of their initial grant. The more capable an investee at mapping out a trajectory for their relationship with SVP, the more likely the PGC will endorse this vision and recognize “success” for the investee and their partnership with SVP.

## **EMERITUS POLICY**

The PGC has established a policy regarding SVP investees once their final year of SVP funding is complete. The policy is as follows:

1. SVP will maintain and publish a list of all organizations with which a grant relationship has been completed. Links to investees’ websites will be provided if possible.
2. SVP will make a reasonable effort to complete (within one year maximum) any volunteer projects that are ongoing at the time a grant relationship ends. SVP’s effort will be subject to the limits of SVP volunteer resources and the priority for those resources that must be given to current SVP investees.
3. SVP will fulfill existing commitments for incremental spending for no longer than six months after the grant relationship ends. No new funds will be allocated for projects after the grant period ends.
4. Former investees will be invited to participate in group forums, seminars and other activities as space and resources permit.
5. SVP is willing to serve as a reference for former investees as they seek and pursue new funding relationships.

An organization may reapply after a minimum hiatus of a full year. Since SVP typically alternates between issue areas every other year, in practice the hiatus is a two year period. New applications for funding would be made through SVP’s competitive, new grant making program.

**Funding Policies**

SVP strives to make all grants general operating grants. That said, the PGC has established some annual review policies.

*Funding Horizon:* The typical funding horizon for SVP relationships will be 3-5 years.

*Volunteer Involvement:* Meaningful, organizational capacity-focused volunteer engagement (not just tutoring and mentoring) is required for all SVP relationships. In a few exceptional cases, an exit year grant may be made in absence of ongoing volunteer relationships.

## **INFORMAL FUNDING GUIDELINES**

## The PGC has established informal guidelines for the annual review decision process. These include:

## Treatment of Year 1 Investees:A good working relationship with investees takes time to develop. Because the bulk of the annual review process is held in the Spring, investees in their first year of funding will have less than a year of working with SVP under their belt before reapplying for funding and reporting on their progress over Year 1. In short, we are still getting to know each other. As a result, the PGC treats Year 1 investees with leniency unless there is a flagrant failure to meet goals, misuse of funds, or incompatibility for long-term fit. Furthermore, this guiding policy functions to ensure that the PGC doesn’t undermine the original intent and due diligence of the new grant committee.

## General operating support vs. program-specific funding: Grants made by a new grant committee often supports a specific program/project. Although the funds are considered “general operating support,” many new investees tailor their Letter of Inquiry and proposal around a specific program so they can make a clear match between their work and SVP’s grantmaking priorities. This program/project orientation in the original grant request usually serves as a guidepost for the SVP funding relationship and outcomes for the program should be monitored. However, SVP typically transitions funding to general operating support or more specific capacity-building uses over time as to not unduly constrain the investees’ capacity to manage their finances and to mirror SVP’s stated commitment to capacity building.

## **RELATIONSHIP OF PGC TO NEW GRANT COMMITTEES**

In SVP’s grantmaking model, new investees are selected by new grant committee but once an organization is funded, decisions about continued funding are made by the PGC. Because the PGC works closely with all investees and sees these organizations develop over time, the PGC develops a keen sense of investee attributes that lead to successful relationships with SVP. Although it is hard to define these attributes in absolute terms, it’s essential that the PGC share this knowledge with new grant committees so they can select new investees that are likely to have a good working relationship with SVP. One or two veteran members of the PGC attend one of the meetings for each New Grant Committee to share this knowledge so it can be embedded into the new grant committee’s screening and selection process.

## **RELATIONSHIP OF PGC TO THE SVP BOARD OF DIRECTORS**

The PGC is the body that makes SVP’s annual review decisions and strategy, and oversees SVP’s investee portfolio. However, the PGC’s decisions and recommendations must be approved by the SVP Board as the official governing body of the organization. To date, the SVP Board has approved all of the PGC’s recommendations about annual review decisions and grant amounts.

The Chair of the PGC attends two SVP board meetings annually- once in the winter to debrief the board on the midyear reviews and again in June to present the annual review recommendations.

## **ROLE OF THE (CO-)CHAIR OF THE PGC**

The Chair (or Co-Chairs) of the PGC is selected by the committee and must have been a committee member for at least one year. The Chair is responsible for:

* Corresponding with PGC members about key deadlines, meetings, and responsibilities
* Presenting annual review recommendations and policy to the SVP Board and Partnership
* Establishing meeting agendas and facilitating PGC meetings
* Documenting decisions and helping SVP staff to develop institutional memory

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| **SAMPLE PGC CALENDAR** |
| **Date** | **Purpose** | **Time Commitment** |
| October | Kick off meeting | 2.5 hours |
| Mid November | Prep for Site Visits | 2.0 hours. Exact date/time to be determined by full PGC |
| November  | Sub-teams Brain Dump Session | 2.5 hours to review 5-6. Exact date/time to be determined by subteams.  |
| December – early January  | Midyear Reviews/Site Visits | 1.5 hours + travel time per review. Committee members will attend reviews for assigned investees. Schedule tbd with Lynn and investee. |
| *Deadline: mid January* | *Midyear Review Summaries Completed for subteam distribution* | *Each committee member will review the midyear summary completed by staff.* |
| Late January | Subteams meet to discuss midyear reviews; develop recommendations for investees with “Red Flags”  | 2 hours. Exact date/time to be determined by subteams. |
| Early Feb  | Review Proposal Template & Discuss Midyear Reviews (esp. “Red Flag” investees) | 2 hours. Exact date/time to be determined by full PGC |
| *Deadline: Early Feb* | *Distribute Proposal Template to investees* | *none* |
| Early March | Review Annual review Process and Sub-Team Roles | 2 hours. Exact date/time to be determined by full PGC |
| *Deadline: Mid March* | *Annual review Proposals & Capacity Assessment Due* | *none* |
| Mid April | Proposal Questions due to sub-team point person |  < 1 hour to read each proposal and develop initial questions (5-6 proposals) |
| Mid April (48 hours after above deadline) | Proposal Questions due to investees from point person | 1 hour to consolidate questions from sub-team and send to investees |
| Last week of April | Annual review Presentations | Sub-team members will attend 2 half-day presentations. Exact date/time to be determined by sub-team |
| First week of May | Sub-teams meet to draft initial funding recommendations | 2.5 hours. Exact date/time to be determined by sub-team |
| Second week of May | Full PGC meets to make annual review decisions | 4 hours  |
| Third week of May | Sub-teams meet to draft PGC feedback letters | 2 hours. Exact date/time to be determined by sub-team |
| Final week of May | SVP board meeting to approve grants | PGC Chair presents to Board  |
| Early June | PGC Post-mortem  | 2.5 hours. Exact date/time TBD  |