



Nonprofit Leader Insights

Receiving a Large, Unrestricted Grant: A 90-Day Roadmap

Photo: Alejandro Gonzalez

Collaborative Learning
from Impact Philanthropy

Insights

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 PANORAMA GLOBAL



Introduction

After receiving a large, unrestricted gift, leaders face a cascade of decisions across their organizations. Over the past year, Panorama Global's Collaborative Learning for Impact Philanthropy (CLIP) initiative conducted an analysis of MacKenzie Scott's giving and engaged over 100 nonprofit leaders through peer learning communities. These nonprofit executive leaders are navigating and managing their Scott grant and have shared real-time, practical advice that charts a 90-day roadmap on how to manage large, unrestricted gifts. The themes of these insights are not intended to be listed in any chronological order, rather they can be taken up simultaneously or independently when applicable to an organization.

Panorama Global will continue sharing insights from peer learning communities so that current and future recipients of large unrestricted grants can learn from the advice, choices, questions, and experiences of others.



Pause, reflect, and celebrate

After receiving the gift, take the time to honor what led you here. This is a chance to celebrate and share the credit.

Feature a range of people who contributed to this milestone, such as Board members, early funders, and organizational leaders. Tell the story of how this grant was the result of years of work. This type of funding affirms the value of your organization and the impact of your work.

Accepting such a gift may also come with questions, such as “Why us? And not others?” Take time to reflect with your teams on what the gift means for you and your community and what possibilities it comes with.



Sheila Davis
CEO, Partners in Health

Use the energy of the gift to plan. There will be a lot of pressure to spend the funds right away but that's when thoughtful reflection with the organization's leadership and staff about culture, priorities, and goals is most important. Take a breath, reflect with key stakeholders, and then invest, based on thoughtful and considered consensus.



Caetano Scannavino
Coordinator, Projeto Saude e Alegria

Why us and not others? [Or] why not? Receiving this gift does not mean that we are better or worse than others. When reflecting, we realized that we were selected because we were ready for the challenge. We have maturity in management, we've had success, but we've also faced adverse situations and have a history of overcoming them.



Elena Bonometti
CEO, Tostan

Reflect on the spirit and size of the gift – connected to your mission and your sustainability. Look not only at the short term, but also at the journey that awaits your organization. How can you leverage these funds to really drive your mission forward over time? How can your organization, your movement, your programs become stronger to create more impact in the next 15, or even 30, years? Yes, this grant amount may be a large number – your single largest gift ever in most cases – but how does it compare to your annual budget for the next 5 to 10 years? How does it stack up against the budget you think you need to truly realize your full strategic vision? Finally, don't forget to truly celebrate the impact and the hard work that created this moment.

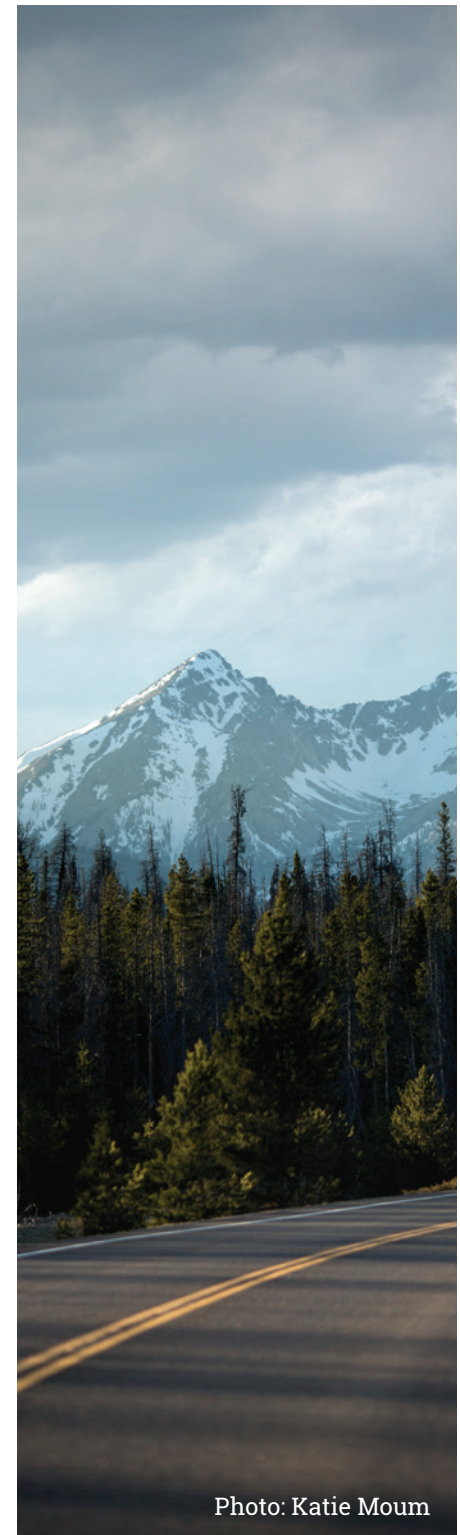


Photo: Katie Moun



Engage the Board

Most leaders agree that a unique gift of this size certainly warrants thoughtful engagement with the Board. Leaders interfaced with Board members based on their current organizational cultures, structures, and history of receiving large gifts.

For example, some executive leaders reinforced previously Board-approved strategic plans, others released memos and monthly updates to the Board on how the grant was being spent, and others worked with their Board to create special ad hoc Board committees to develop a specific spending strategy for the grant. Considering the unique opportunity of this gift, some leaders experienced encouragement from their Board to “do something big,” create an endowment or reserve, or increase staff salaries.

Some organizations worked with their Board to create a new Board-designated Strategic Opportunities Fund, or Strategic Innovation Fund, that management could implement and oversee going forward.



🗨 **Matthew Forti**
Managing Director, One Acre Fund

Situate within your vision, strategy, and annual plan. For some orgs, like One Acre Fund, a Scott grant happens to come shortly after the completion of a rigorous strategy and planning process, which has already identified where a big influx of resources are best deployed. For others, the Scott grant requires a new process to be undertaken. And there is everything in between. Agree with your Board on the extent to which fresh thinking is necessary; and the balance between speed and rigor in your process.



🗨 **Julius Mbeya & Ash Rogers**
Co-CEOs, Lwala Community Alliance

When we received the gift, it was pretty clear to us as Co-CEOs how we wanted to allocate the funds. However, it was absolutely essential that we created a special committee of the board and brought in a 3rd party to facilitate a planning process that ended in a full board vote. While this took about 3 months and \$8K towards the consultant, the end result was a strategy our board was 100% behind and it added confidence to other stakeholders - funders, staff, partners.

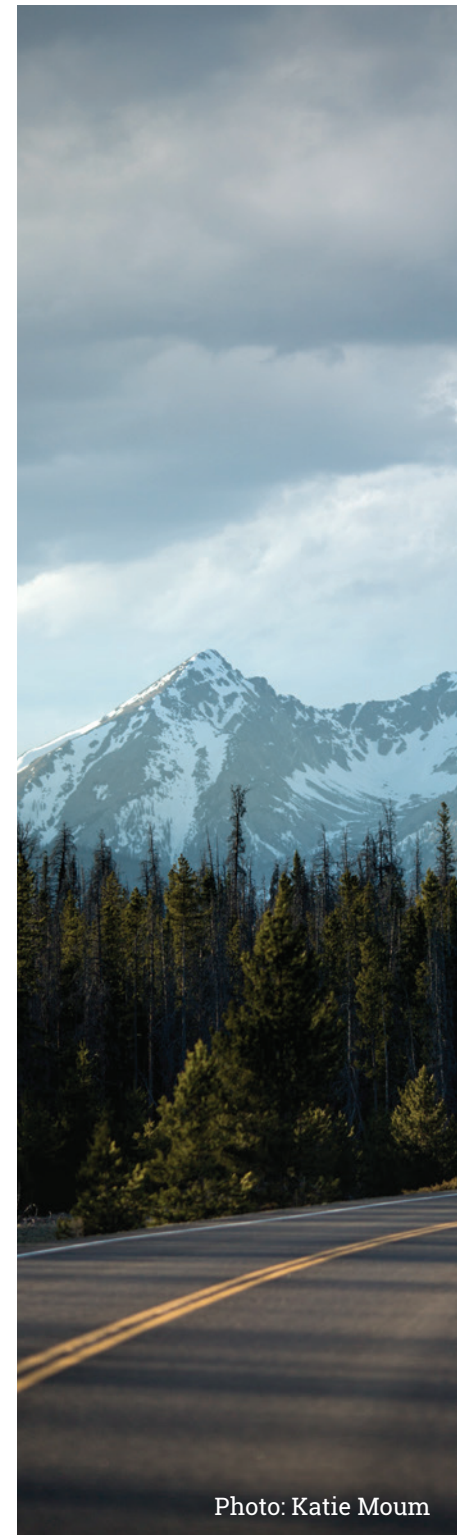


Photo: Katie Moun



Develop a Communications Plan

Develop a communications strategy with intention to inform key stakeholders both inside and outside the organization.

While some Scott grantees make a public statement about their grant, not all do, and some choose to keep the total amount of the grant confidential. Internally, informing your staff about the grant will be energizing and will likely boost morale. The grant is a major validation of your organization's work.

On the flipside, managing staff expectations with thoughtful messaging on how the grant will be used and how the grant will impact the organization is also critical to think about too.



Elena Bonometti
CEO, Tostan

Communicate, engage, and learn through your community. Keep key stakeholders – board, staff, donors, partners informed. Early on, share the good news, and then keep them updated as you navigate forward. Along the way, look for advice and perspectives. Talk to previous MacKenzie Scott grantees and others who have had “big bet” investments. What are the short-term and longer-term opportunities and risks?



Vivek Maru
CEO, Namati

It is important to move quickly to devise an internal and external communications plan. While awardees need to take time to carefully deliberate how they will put the award to use, we think it’s useful to be nimble in articulating what the award represents and in naming the key principles that will guide future deliberations about the award use. These can help organizations to avoid internal confusion and celebrate more fully. Assembling a circle of trusted advisors as soon as possible to figure out how to manage the funds was invaluable for us.



Ruth Levine
(Former) CEO, IDinsight

Communicate with intention, as a way to build relationships inside and outside the organization. Announcing receipt of the grant is a unique opportunity to position yourself institutionally, and to build stronger bonds with both your internal team and your core supporters. Think through the messages carefully, and cascade the confidential and then public announcements quickly to maximize impact.

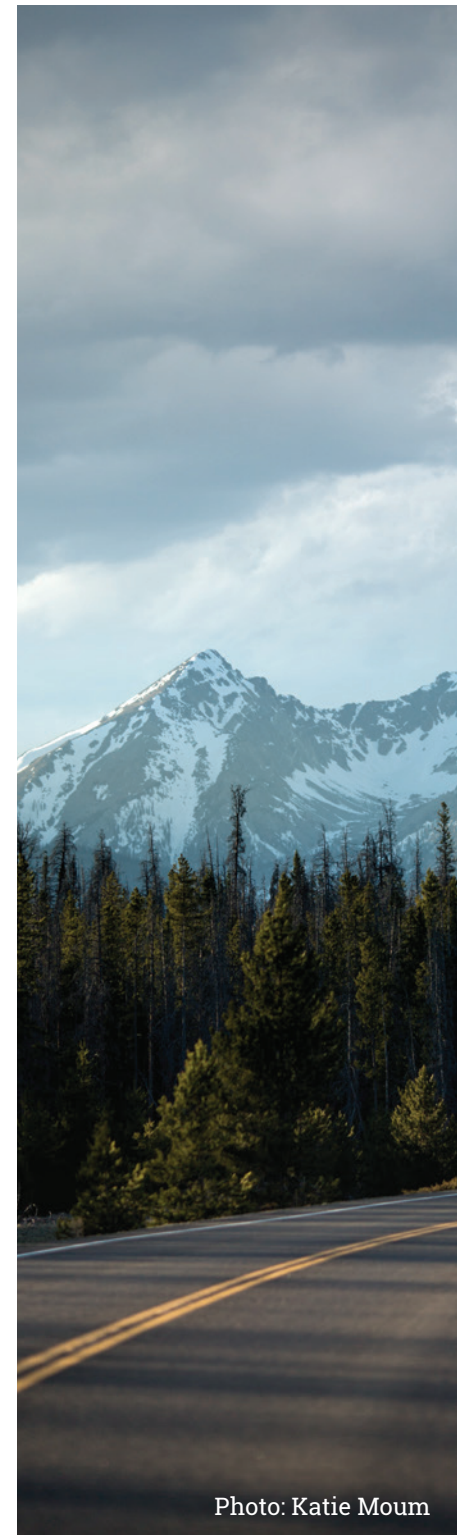


Photo: Katie Moun



Develop your Financial Strategy

You can safely assume that the question of, “How are you going to use the funds?” will come quickly and frequently after receiving a Scott grant.

Anticipate that this question will come from many directions - from your Board, existing donors, staff, prospective donors, peer organizations, and even media. There are many options to consider when utilizing the funds, including spending or saving, addressing short-term needs or make long-term investments, starting or investing in an endowment, creating a Board-designated Fund to invest in innovation going forward, and how and when to scale.



Ann Mei Chang
CEO, Candid

Think of this as a capital investment rather than revenue and give yourself time to consider your long-term goals. Ask what investments could put your organization in a stronger position to do more good five or ten years from now. This might include shoring up your financial reserves, improving your infrastructure and tools, or investing in better solutions. Whatever you choose, look for ways this gift can pay dividends over time.



Lisha McCormick
CEO, Last Mile Health

Use this as a cornerstone investment in advancing the good work you already do, rather than needing to commit to new, untested initiatives. While many other grants require promises of innovation, this award is an investment in your core work and mission. At Last Mile Health, we embraced this as an opportunity not to change course but to reinforce the path forward, using the award as a foundational investment in our new strategic plan.



Ruth Levine
(Former) Chief Executive Officer, IDinsight

Decide on the allocation based on the “one-time” nature of the grant: The single-most important characteristic of this funding is that it is a one-time windfall. That means every dollar has to be seen as an investment that can yield mutually reinforcing dividends in terms of greater sustained impact, more resources over the medium- and long term, greater ability to recruit and retain talent, higher organizational profile. Beware of focusing on feel-good spending that creates higher recurrent costs unless there is a credible path to larger revenues from other sources.

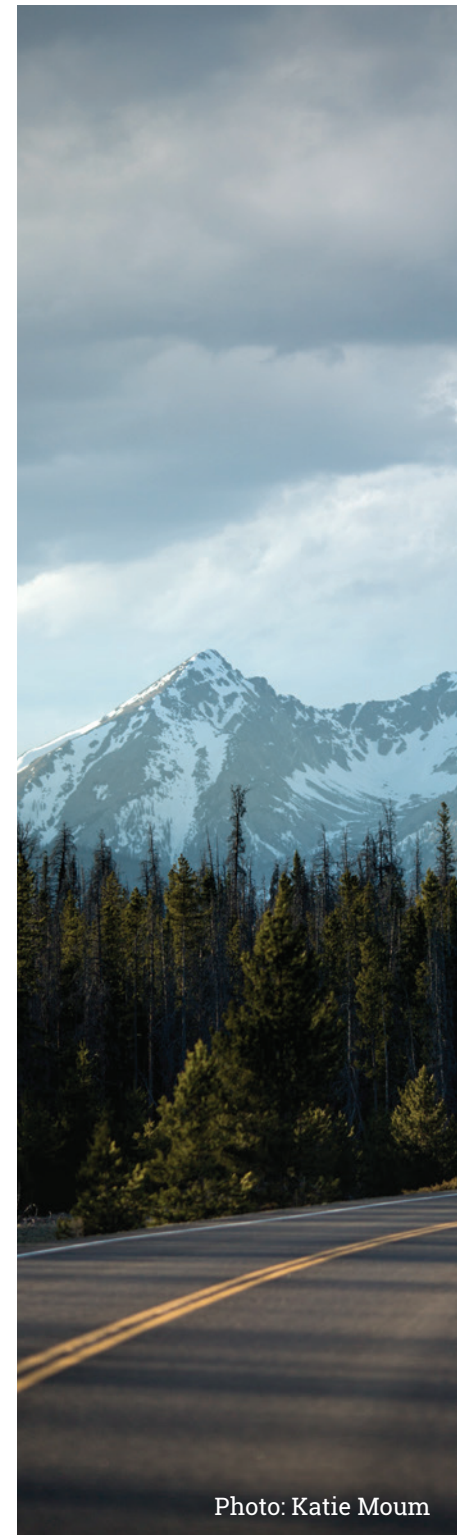


Photo: Katie Moun



Engage your Donors

Donor stewardship for your existing donors becomes more important than you might think. These are donors who were there supporting your organization before this large gift occurred.

Be sure to update your existing donors with a personal message about the Scott grant first before you make any public announcements about it. Thank them for providing the vital support that helped your organization develop the impact and credibility that led to being screened for this large gift—and explain why their funding is still needed even after this windfall gift. For some donors, seeing your organization be selected for funding from Scott may be a reassurance and validation for them. Such a major high-profile grant may help you attract new donors who give follow-on funding and realize that your organization is even more positioned for impact after receiving this Scott grant. On the flip side, some previous Scott grantees have encountered donor attrition where long-term donors stopped giving or reduced their giving once they learned the organization received a Scott grant.



Julius Mbeya & Ash Rogers
Co-CEOs, Lwala Community Alliance

Engaging in a planning process allowed us to delay requests from funders, some of whom came to us in a bit of a reactionary posture, to share our strategy. We were able to respond, “We don’t have a clear allocation yet, because we are going through a professional and structured process with our board to develop a high-impact way forward. We’ll have a great answer for you by XX.” In that time, we were also able to get a temperature check from those funders to inform our messaging and roll-out of the plan.



Liz Jarman
CEO, Living Goods

See this as a big win and celebrate it with your current funding partners. They will be pleased for you and appreciate the transparency. We found it important to communicate as soon as we were able to and be transparent on what this means for us – for example, this fills X of our funding needs over the next X years. You want to keep your core partners engaged and consider individual 1:1s to proactively make the case on why you still need their support going forward.



Lisha McCormick
CEO, Last Mile Health

Be prepared to communicate to existing partners and prospective donors why their funding is still absolutely necessary. While family foundations, individual donors, and others are making smaller investments, they are still essential in tackling the large, persistent problems you address. This catalytic and unrestricted funding can help donor dollars go farther in pursuit of that work.

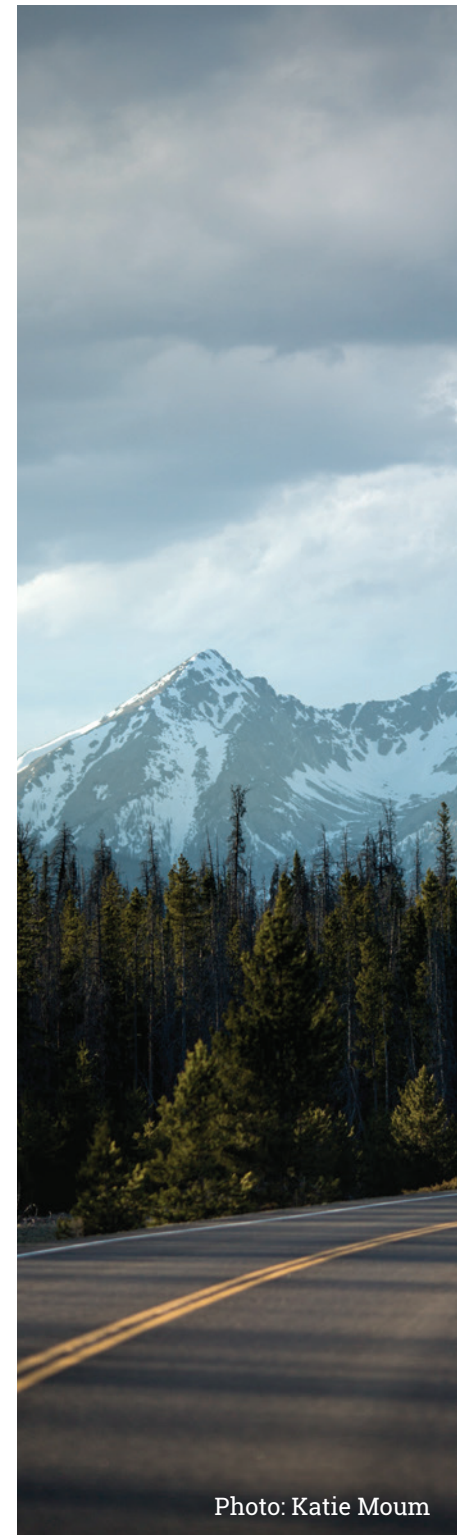


Photo: Katie Moun



Align for Organizational Growth and Change

Growth rarely happens without some discomfort, as many recipients experienced through adding staff, restructuring, and making program changes. Some long-time staff may feel displaced and fear the original mission-driven ethos will change.

During this time of growth, you may also experience an uptick of vendors reaching out and pitching new services. If this happens to you, take your time when considering these offers. With an influx of new staff, expansion of partners, and introduction of new systems, anticipate an impact on your organizational structure and culture.

This may also be a welcomed opportunity to re-cast and redefine organizational values and culture. Pay attention and recall that “storming” is a natural part of the “forming” of a new culture in your organization.



🗨 **Debra Gore-Mann**
President & CEO, The Greenlining Institute

Invest in your infrastructure full stop. Setting the systems allows you to grow and allows you to grow with speed and scale. If you don't have your infrastructure in place, then you will stumble. Invest also in emergent learning with your staff, educating your team on the financial health of the organization to bring them along in the process.



🗨 **Michael Thatcher**
President & CEO, Charity Navigator

Unsolicited and unrestricted major gifts are, by definition, disruptive. There is a huge opportunity to use these funds to disrupt your organization in a positive way. Doing so requires a plan. In our own case, we had just ratified a new strategic plan with significant technology investments. If you do not have a plan in place, take the necessary time to develop one. Be ready for employees to ask questions about how the gift impacts them. It's important that they understand how the funds will be used to advance the organization's mission, serve beneficiaries, and make their lives easier through technology, pay increases, etc., and the associated timelines.



🗨 **Liz Jarman**
CEO, Living Goods

Internally, it takes time to hire key roles, and to have your systems in place for scale, especially if entering new countries. Hire ahead of the curve, think about the roles you will need a year out, be bold and bring in strong talent but don't forget about internal staff retention strategies. Be aware of the need for improved internal systems if this is a big shift in expenditure. This is unrestricted funding – so what foundations can you strengthen for your organisation to allow you to continue to perform effectively? Are your internal financial controls systems good enough? How good is your cyber security – you may be targeted more if the increase in funding goes public.

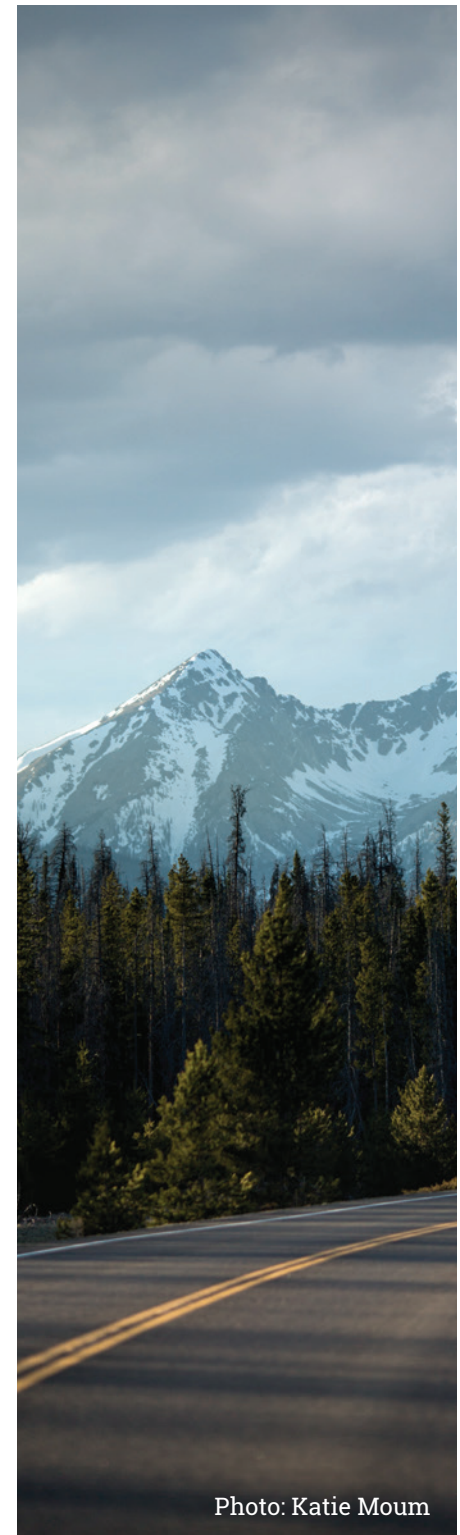


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About the Insights series

Insights is a report series capturing knowledge and reflections from Panorama Global's Collaborative Learning from Impact Philanthropy (CLIP) peer learning communities. CLIP aims to shift norms and practices in the philanthropic and nonprofit sectors for making and managing large, unrestricted gifts.

For more insights and information about our Collaborative Learning from Impact Philanthropy work, visit panoramaglobal.org/impact-philanthropy

CLIP provides actionable tools, resources, and communications to ensure social sector organizations that benefit from large unrestricted gifts are equipped to maximize the use of this funding. CLIP serves as a conduit to amplify the voices of leaders and organizations on the frontlines of social change doing mission critical work.

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About Panorama Global

Panorama Global is a social impact nonprofit that empowers changemakers through radical collaboration.

Our goal is to achieve maximum impact by partnering with visionary leaders to co-develop solutions to hard problems. We use our voice when it counts, and initiate projects when we see gaps that need to be filled.

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