

ICoF Member COVID-19 and Derecho Response in 2020

2020 challenged Iowans and our institutions – including philanthropy – in unprecedented ways as a global pandemic affected not only our health and well-being, but employment and our economy. In addition to the pandemic, a rarely seen derecho severely affected a significant portion of the state in August. The Iowa Council of Foundations surveyed its member organizations to gauge the response of Iowa’s philanthropic community to these two disasters. As we have seen with past disaster responses, our philanthropic organizations were quick with their response, community leadership, and steadfast resilience. For many, some of the adaptations they made in the wake of 2020 will serve as lasting changes in how they continue to serve our state.

PARTICIPANT SNAPSHOT

- **33 participants** in the survey
- **45% response rate** from ICoF members
- **100% response rate** from accredited Iowa Community Foundations segment

COVID-19 Pandemic Response

ICoF Membership

- Raised or committed **\$11.9M** for pandemic response thru 12/31/20
 - When merged with 6/30/20 data ICoF collected for members who did not complete the 12/31/20 survey, ICoF members collectively raised or committed **\$17.8M** for pandemic response thru 12/31/20
- Respondents who granted from their own funds and didn’t raise funds contributed **\$5.2M** for pandemic response thru 12/31/20
- 76% made grantmaking changes to respond to the pandemic (*see responses to Q1 on page 3 for additional details)
- 30% increased payout (by a certain percentage or dollar amount) in response to the pandemic
- 18% plan to increase payout (by a certain percentage or dollar amount) in 2021
- 60% plan to utilize new funding approaches in 2021 (*see responses to Q2 on page 4 for additional details)
- 39% contributed to a local COVID-19 pandemic or disaster response fund

Accredited Iowa Community Foundations

- Raised or committed **\$9.4M** of the \$11.9M for pandemic response thru 12/31/20
- 65% opened or activated pandemic or disaster response funds
- 18% increased fund payouts in response to the pandemic
- 41% reported increased Donor-Advised Fund payouts in 2020

Derecho Response

- Respondents raised or committed **\$4.3M** for derecho response thru 12/31/20
- Nearly **50% (\$2M)** of which was raised or committed by Iowa community foundations
- Respondents who granted from their own funds and didn't raise funds contributed **\$490,000** for derecho response thru 12/31/20
- 21% contributed to a local derecho or disaster response fund

Changes in Grantmaking Practice

Disasters challenge organizations to be adaptive, flexible, and innovative. Sometimes these changes open new ways of doing business that can lead to long-term changes. ICoF asked our members what changes they had made in their current processes for the short-term (first column) to support 2020's COVID-19 pandemic response, and which of those changes they thought would continue in the future (second column). Some members also noted they were already implementing these practices before the pandemic (second column).

Changed	Existing or New Practice Will Continue	Practice
33%	58%	Having open, transparent conversations with grantees about the risks they are facing that will impact program delivery and overall sustainability.
45%	45%	Offering general operating support instead of project support.
48%	45%	Reducing or simplifying application requirements.
52%	30%	Implementing more flexible requirements for rapid funding.
45%	30%	Extending grant periods.
30%	12%	Unrestricting restricted grants.
6%	16%	Not requiring matching funds.
36%	21%	Eliminating or reducing reporting requirements.
21%	18%	Changes to your decision-making processes.
21%	21%	Including equity as a primary driver for decision-making.
6%	12%	Including a certain percentage of contingency funding in our annual grant budget.
15%	18%	Shifting dollars into advocacy work to promote long-term system change to better address the next crisis.

We asked members for additional details about the changes they made in response to the pandemic and which of those changes they anticipate remaining part of their ongoing practice. We were pleased so many funders utilized [trust-based practices](#) and approaches with an eye toward equity and [strategic openness](#). We hope these responses will help you review your own practices and perhaps be used as a resource when discussing future changes in grantmaking practices with your boards or grantmaking committees.

Q1: What grantmaking changes have you made in response to the COVID-19 pandemic?

Eased Application Requirements

- Crisis grant application used.
- We streamlined the application, did verbal follow-up reporting, and evaluated the grants on a rolling basis.
- Brief, or no application process.
- Simplified the application process and sped up the decision-making process.
- Seek out grantees, quick application, quick grant award.

Changed Focus, Opened More Funding for Operational Costs

- Direct disaster recovery grants created. For other grant programs, increased amount available for general operating, increased flexibility of use and reporting requirements on existing grants.
- Expanded consideration of program and general operating support through many of our grant programs.
- Our requirements have been adjusted including allowing grants to be used for operations.
- More multi-year general operating grants; streamlined request process.
- Changed focus for 2020 grant cycle to target more healthcare organizations and service groups impacted by closures.
- Prioritized requests that focused on hunger and housing.
- We seeded the DRF at the beginning of the year that is not solely focused on COVID-19 but in general disaster and resiliency in our community. We also pivoted from our Leadership Grant program and launched a Nonprofit Adaptation Grant Program as well as a Strategic Collaboration Grant program.
- Spring cycle dedicated to pandemic needs; Added a question in application for Pandemic Recovery needs.
- More relevant to COVID related expense and financial affects.
- Emergency relief funding to NPs in Q1 & Q2; Strengthening and Resilience funding to NPs impacted by COVID-19 (specific focus on equity) in Q4.
- Awarded \$105,000 in new emergency grant funding directly to nonprofit partners; Removed restrictions on previously awarded grants totaling \$472,000;

Greater Flexibility, Faster Funding

- Funding decisions were made on a rolling basis, as quickly as possible. Resources were directed to where the need is most pressing; especially organizations in our area that are assisting individuals and families hit hardest by this medical emergency.
- Created an accelerated process and a dedicated fund.
- Reached out to grantees to inform of reporting and spending flexibility for active grants.
- We are allowing grantees to be more flexible with their funds.

- We revised our policy to allow more flexibility in use of grant funds and restructured our grant programs to provide more general operating support.
- Accelerated the 2020 Fall cycle, ultimately awarding \$690,865 to organizations serving those most impacted by the COVID-19 crisis.

Collaboration

- Collaborative granting with a private foundation. Created an abbreviated application process.
- We partnered with other area foundations to create one COVID-19 response fund.
- Provided a \$50,000 pacesetter contribution to collaborative Disaster Response Fund; Facilitated \$100,000 in additional funding from out-of-state grantmakers

Q2: What new funding approaches will you use in 2021?

Keep the Disaster Response Fund Open

- We may continue to provide grants through our Emergency Response Fund.
- QC Disaster Recovery Fund continues to operate and will do so as long as funds allow.
- Yes, we have established a disaster fund. We had one previously in response to the 2008 floods, but it was completely paid out and the fund closed several years ago. The board has now agreed there is a need to build resources for disaster and maintain an available balance.
- We will continue the dedicated fund and accelerated process until the need has abated.
- We plan on being responsive to the needs of the committee and focusing on recovery from the pandemic. In addition, our annual Impact Fund grant cycle will focus on needs other than COVID and continuing to refer those requests related to the pandemic to our specific response.
- Still prioritizing continuity of operations for grantees
- Focused on helping NPs get through the next stage of the pandemic. Focused on supporting NPs who focus on equity (including racial equity).
- We anticipate granting for COVID in 2021- need is still present. Highly publicize grant awards & also encourage donations. Pandemic isn't over!!

Continue Funding Operational Support and/or Multi-Year Requests

- Continuing investment in general operating funds.
- We will continue to be opened to requests for operational support. We are also going to consider multi-year requests for the first time.
- Many of our grant programs are entertaining requests for program and operating support, in addition to our historic focus on capital support, for the Spring of 2021 grant cycles.
- We have opening up our BICEF grant program (responsive grants) to include general operating support for nonprofit orgs in need due to COVID.
- Our Organizational Development Fund has been restructured into an Organizational Support Fund and will accept applications for general operating grants as well as capacity building.

Modified Application, Funding, and/or Reporting Processes

- We plan to continue with a more streamlined application (it is more robust than the COVID fund one however.) We have begun a local funder network to only request financial info and perform review once (by trained accountants) for all 4 funders. And, 3 of the funders are utilizing the same online application. We will continue to streamline the grant reporting.
- We did a significant redirect, closing down a long-term program that was not seeing the ROI we would have liked. We are in the process of redirecting the assets from that program and hope that long-term we will be able to do more, larger grants for greater area impact.

- We are eliminating our grant deadlines and having our application available year-round.
- We created a 3-question application to streamline organization's time in filling the application out. We also started meeting as a committee bi-weekly to help get dollars out faster.

Q3: Is there anything else you would like to add about changes you have made in policy or practice during 2020 that may be valuable for your peers to learn from?

Trust-Based, Responsive, Flexible

- We are striving to adopt trust-based philanthropic principles and intend to move forward with measuring our adoption.
- We opened new grant categories, such as grants to hospitals for patient welfare.
- We made changes as situations arose to be flexible and responsive to our community needs.
- The crisis has opened our thinking more to systemic approaches and to operating needs.

Collaboration and Partnerships

- Prior to the pandemic, we worked with the Center for Disaster Philanthropy and held a series of community meetings and dialogs around how we could more collaboratively respond to disaster and build resiliency as a community especially related to philanthropy. From that, we created the Disaster Recovery Fund. It is specifically NOT single disaster focused, rather is activated for various disasters as well as in place for long-term recovery and resiliency efforts. It has been incredibly powerful and we have been able to leverage the donations to the fund for more than grantmaking. For example, we are currently using contributions to back a loan that has allowed a[n NPO] to access federal funds that otherwise would have been left on the table. The fund dollars then will be freed up at the end of the loan period for other work; however, that is not considered in the above as a "grants."
- I was much more intentional checking in with nonprofits this year. I feel building those relationships has been very beneficial & they seek me out as a resource/sounding board.

Eye on Sustainability

- Our board came to a greater understanding of the importance of planned gifts in creating a financial environment in which nonprofits could sustain their operations. In 2021 we are going to work with our fund holders to build awareness of the importance of planned gifts and endowments for their organization.
- We have learned our board is very conservative and continues to have concern about a future revenue stream. They have chosen to mostly stay the path.

Since 1998 the ICoF network has been working together to learn and share best practices, challenging each other to strengthen and grow philanthropy responsibly. Philanthropy's overwhelming response and leadership in the wake of 2020's pandemic and natural disasters shows that progress is being made toward more equitable, trust-based practice at foundations throughout Iowa. This collaborative effort is paying off, in ways that deeply and profoundly affect our communities. We hope you find this report both a helpful tool to examine practices at your own organizations and as a celebration of the progress we have made – together.

Have questions or need additional information? Please contact our office:

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