

2007 ANNUAL REPORT



NCG
NORTHERN CALIFORNIA GRANTMAKERS

inspiration + community + leadership



- Values that inspire
- Technology that strengthens communities
- Leadership that enables you to make a difference

Behind every grant is a story.

And behind that story are a thousand inspired conversations. As grantmakers, we don't operate in a vacuum. Some of our best work happens in collaboration with others. Collaborating enables us to share best practices. Explore new ideas. Inspire one another to become more effective.

Becoming more effective is a constantly evolving process. And making a difference takes time. Thoughtful conversations help that process along. At NCG, our role is to enable those conversations to take place.

As we look ahead in 2008, this annual report remembers the challenges, the opportunities, and the difference we made together in 2007.

You inspired each other with ways to apply key principles. You used technology to strengthen relationships with your communities and with each other. And you led by informing and listening to legislators.

Looking back over all that we've accomplished throughout the year, it's not hard to imagine the differences we'll make in the future. For inspiration, look no further than the next page.

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To Our Members

Over the past year, we have ventured a path to greater effectiveness through innovation, and together our travels have taken us to a new plateau.

We have experimented and tried to build from the collective knowledge we have as a community: we engaged and together learned ways to apply principles of effectiveness and accountability to our practice; we explored how technology can improve our relationships with the populations we serve; we looked at ways to prepare and respond to our communities in crisis and disaster; and we conscientiously worked with legislators to foster mutual understanding of our community and our grantmaking. Our conversations and activities throughout the year have been infused with a spirit of innovation.

This energy and discovery has helped to set the stage for 2008. Our responsiveness has led us to plan beyond education programming and begin to create conversations within the larger community—to reach out and initiate discussions between philanthropy and our public, private, and independent partners. With shared concerns for our common region, we can explore shared commitments and work in unison with our partners.

Collaboration and mutual understanding are critical to our continued effectiveness as grantmakers. To that end, NCG aims to be a connector, a facilitator of knowledge and experiential learning, and a resource for philanthropic exchange.

As always, you—our members—are much of the source and the fuel for this work, and we continue to depend on your involvement and your feedback. Ultimately, being a member of NCG is about more than simply attending programs and workshops. It's about lifting your voices so that, when you see yourselves reflected in our programming, you can become more effective and go on to inspire and educate others.

As we enter 2008, we invite you to engage with us. Get inspired. Get connected. Get involved.

Let's continue to innovate, and together motivate others to join us in the thoughtful giving of Northern California's grantmaking community.

Sincerely,



*Colin Lacon—President & CEO
Northern California Grantmakers*

2007 Board of Directors

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Executive Director
Walter & Elise Haas Fund

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inspiration

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Values that inspire

From foundations to corporate giving entities, you—our members—are as diverse as the communities you serve. That diversity presents both a challenge and an opportunity.

The challenge? How to inspire one another and to share best practices when each of you is so unique.

The opportunity? Diversity sparks inspired conversations. Conversations help us confront challenges, create solutions, and put knowledge into practice.

During 2007, we began an ongoing conversation on how to model the *Effectiveness & Accountability Principles* developed in December 2006.

We shared real-world strategies and accomplishments, showing how you are at the forefront of efforts to lead and challenge the philanthropic sector to be more effective, reflective and responsive.

At their surface, the Principles don't seem particularly revolutionary. Most would agree that values like transparency, stewardship, and respect are important—for grantmakers, lawmakers, and companies alike.

But how do we, as a community, reflect these values? What do these principles look like in practice? How do you apply them to your own organization? How do we hold ourselves accountable—and how should we be held accountable? What does it take to go beyond what's legally required—and make more of a difference?

How do we embrace the principles that embody the work in which we're engaged?

We grappled with these questions during the year. And we recognized the Principles are not simply a checklist. Rather, they represent a constant process of self-inquiry and inspired action. They guide our activities and they bond us as a community.

Although we may not be able to measure the quantitative results of these principles now, the simple act of incorporating them through practice is an important first step. Like long-term work in a community, principled action is a continuous cycle.

For now, we can measure results by the conversations themselves. In 2007, with your help, we began those conversations.

Grantmakers go beyond 5%

"You can't take it with you," Warren Buffet once told *Fortune* magazine.

Increasing numbers of philanthropists agree. The desire to see change happen in our lifetimes fuels a new sense of urgency.

Existing in perpetuity is the right choice for some. But not necessarily for all. How do you determine the right choice for your organization?

This year, you explored the idea of going beyond 5%—minimum payout on endowments required by law—in your distribution models. NCG collaborated with New York Regional Association of Grantmakers and the French American Charitable Trust to facilitate the discussion through programming and through a printed report.

The report—*Beyond 5%: The New Foundation Payout Menu*—profiled a range of foundations following alternative courses to lifespan, from foundations that are spending down to several that adopted policies of higher or flexible payout.



Program Spotlight

NCG hosted 43 events and workshops aimed at furthering your conversations about the Effectiveness & Accountability Principles and the issues they address, they include:

- Deep Diversity: How Democratizing Your Foundation Can Strengthen Your Organization and Grantmaking
- Spotlight on Race
- Principled Stories: Authenticity How Two Local Funders Build Transparent & Respectful Relationships with Nonprofits
- Grantmaking with a Racial Equity Lens
- Beyond 5%: The New Foundation Payout Menu

Whatever payout plan an organization decides on, careful thought and discussion makes the decision much easier. This year, NCG made that possible.

To download the report on *Beyond 5%: The New Foundation Payout Menu*, visit www.ncg.org/beyond5.

Members look back

“The impetus behind developing the Principles and launching the initiative was to increase the effectiveness of philanthropy and to increase our accountability to ourselves, to each other, and to the broader communities we serve. We’ve learned a lot in the process, and believe there’s much more to learn. The bottom line is that one size doesn’t fit all; there are numerous paths for foundations to take to increase their effectiveness and accountability. The Principles provide a collective framework and a meeting ground to talk about what we’re doing and how we’re doing it.”

*Pam David—Chair, NCG Board of Directors
Executive Director, Walter and Elise Haas Fund*

“NCG’s programming has been beneficial to me and to my colleagues here at The California Wellness Foundation. The session topics have been relevant, timely and thought provoking. The sessions that focused on diversity and race helped spur thoughtful discussions among staff and other foundation colleagues. Congratulations to NCG on a great year of programming. I look forward to the 2008 offerings.”

*Fatima Angeles—Director of Evaluation and Organizational Learning
The California Wellness Foundation*

“As a growing public foundation, Horizons looks to NCG not just for information, learning opportunities, and connections, but for leadership. And 2007 saw NCG taking leadership in crucial, timely areas like sector accountability and diversity.”

Roger Doughty—Executive Director, Horizons Foundation

community



Technology that strengthens communities

Inspiration brings innovation. Innovation brings new technology. Technology brings together communities. New technologies promise to make communities stronger than ever before.

Increasing numbers of grantmakers are reaching out to their grantees and to the community to get ideas, information, and feedback. Technology and social media facilitate these conversations by getting grantees, stakeholders, and the public involved.

As the public becomes used to talking back in other sectors, grantmakers face a choice. We can either try to protect ourselves by closing our processes and controlling all information. Or, we can open up the conversation to flow both ways, encouraging new ideas from unexpected places. For example:

- When the Packard Foundation was considering a research initiative, they set up a wiki to get input from grantees and stakeholders.
- Rather than waiting for website visitors, The Skoll Foundation uses Web 2.0 tools to engage new audiences about its own and its grantees' activities.
- Instead of receiving written applications, ZeroDivide is considering receiving applications by audio and video file. The foundation is also considering capturing site visit information on a blog. Program officers would use a digital camera and audio recorder to enable real-time documentation.

Just because tools like wikis and YouTube exist doesn't necessarily mean they're right for your organization. So what is the right choice? How do you integrate new technologies into existing structures? How do you determine which technologies to

implement—and which will make the biggest difference? It all comes back to your mission.

When your mission is clear to you, your grantees, and your stakeholders, you can evaluate new technologies to determine how they help you reach your goals.

This year, our programming and workshops brought grantmakers together to stimulate dialogue on how we can best get input from both grantees and from each other.

We recognized relationships come first. Technology is simply a means to an end.

Members look back

“Foundations can do more than simply fund good work. They can help their grantees—and themselves—to take an advocacy position on why a particular type of work is important. How do you affect the public mind so they will argue for more public support of education, environmental programs, or other important issues? Social media open up new opportunities for foundations to both reach a wider audience and to connect to the people who are doing the work on the ground. Actually, I would argue that the more funders really listen to their grantees, the more effective advocates they will become. And it's not a matter of favoring technology over face-to-face interaction; both are important. It's been great working with the NCG staff on this, and seeing their commitment to exploring these interrelated themes of technology, networks, advocacy, and grantor-grantee relationships throughout the year. Just looking at how they're using technology within their own programming is good to see.”

John Esterle—Executive Director, The Whitman Institute



Our Community

In 2007, NCG membership included 165 member organizations and individuals.

Members by Type

- 53 Family Foundations
- 33 Independent Foundations
- 29 Corporate Foundations and Giving Programs
- 11 Community Foundations
- 11 Public Foundations
- 10 Philanthropic Advisors
- 10 Individuals
- 2 Operating Foundations
- 2 Government Grantmakers
- 2 Donor Advised Funds
- 2 Lifetime Members

“This year foundations—and philanthropy in general—really began to take seriously the possibilities of incorporating new technologies, particularly web 2.0. I saw quite a bit of difference amongst my colleagues in terms of their use of and interest in new technologies and new media.

NCG’s sessions on incorporating technology within the philanthropic practice and within our grantee work was a key member learning experience. The sessions were extremely well-attended. You could see the interest it generated among program officers.

There is a hunger for information on how we incorporate technology in our practice. How do we make use of the YouTube’s and MySpace’s of the world? It is a challenge because it goes against the traditional way of doing things. We are not used to the transparency of these new tools and just putting all our information out there for the world to see, un-edited. We’re used to packaging it and thinking about what we want to make public.

We still have a long way to go, but the Web 2.0 generation is inspiring us to put our information out there and see what people think about it. For our own organization, it’s not just about the technology, but about the fact technology can help bridge all these other divides.”

*Laura Efurd—Chief Community Investment Officer
ZeroDivide (formerly Community Technology Foundation)*

Leadership

+ community + inspiration

Leadership that enables you to make a difference

Some of the best leaders also make the best listeners.

And if leading well is listening well, leaders can listen best when they seek feedback from the communities they serve.

Our public policy work this year embraced that principle by providing a forum for legislators and philanthropic leaders to listen to one another.

We educated lawmakers about the work and processes of philanthropy. And, in turn, we learned more about their work and how we might be able to work together.

As a result, we provoked new ways of thinking about our relationships with each other, with grantees, and with business and the public sector.

For example, issues like childhood obesity bring up interrelationships between foundations and the public sector. Foundations can make a bigger difference by supporting advocacy organizations that cooperate with the government and with schools to provide better food.

NCG's role is to facilitate best practices like these.

Our 2007 public policy activities included:

- A briefing on the state budget's impact on California's nonprofit community
- Special programming to encourage increased understanding and collaboration between the public and philanthropic sectors
- Coordinating with other state regions to highlight our work's importance to public officials, including effective and responsive grantmaking strategies, sector governance, and efforts to better serve California's diverse communities.

The *Effectiveness and Accountability Principles* provided a backdrop for these discussions, structuring our thinking around transparency, diversity, equity, and other principles.

We'll continue to spark discussions around how lawmakers and philanthropic leaders can best serve our communities. When we increase our understanding of each other, we can make a bigger difference in the communities we all serve.

Members look back

“One of the first NCG workshops I attended was the New Grantmakers Institute. Not only did I learn about specific grantmaking skills, but it was a space and opportunity to ask questions about the entire grantmaking process. It was valuable to learn skills, have a safe environment to critically think through grantmaking, and do this with colleagues just entering the field. In 2007, I attended an NCG workshop around foundation and government partnership, among other workshops. For me, the real value of NCG's workshops is its ability to convene foundation staff to talk with one another about specific community issues, share best practices, and information about what's working.”

Charles Ugalde—Program Officer, United Way of the Bay Area

Disaster Preparedness

Natural disasters may lie beyond our control. But how we react to them does not. In fact, our response to a disaster is only as strong as our preparation.

At a nonprofit level, preparing for a disaster means much more than planning your own reaction. It means planning how you will coordinate with other entities to deliver a unified response.



Funds at NCG

NCG convenes grantmakers and stakeholders in uncommon collaboration. In 2007, over \$1.1M was pooled, prioritized and distributed through the Summer Youth Project, Emergency Loan Fund and Arts Loan Fund.

SYP	334 grants	\$196,010
ELF	2 grants	\$10,000
	9 loans	\$328,000
ALF	27 loans	\$633,200
Totals	372	\$1,167,210

You can act quickly because you've already rehearsed the steps.

In 2007 the disaster preparedness task force gathered support and funding for something many of us would prefer not to think about. Then, they created a detailed strategy for moving forward. Now, they're ready to take the next step. The important work of implementation lies ahead.

And so does this challenge: How do we inspire, motivate, and persuade nonprofits and the public that preparation is important? What's the best way to motivate those who, quite understandably, may feel more urgency about today's concerns than about what tomorrow may bring?

We recognize when we motivate from a position of strength and of building capacity—rather than from fear—we can accomplish so much more.

With your help, this year promises to be the start of a new era in involvement and collaboration. We'll be ready when the unexpected occurs. Not because we were afraid. But because we were already connected.

Members look back

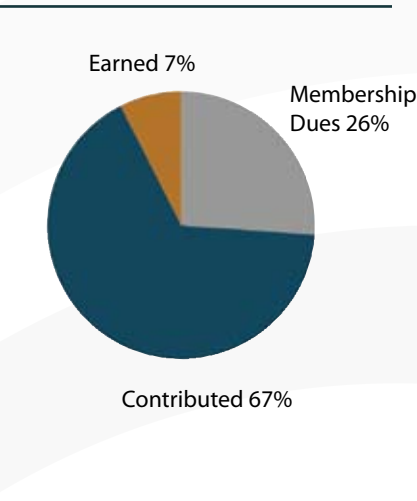
“Foundations have a tremendous opportunity to work with our grantees in preparation for a major disaster. We know it's going to happen, we have access to best practices, we have knowledge of vulnerable communities, and we have financial resources. All that's been missing is the will. The NCG task force is a first step in mobilizing the will of the Bay Area philanthropic community. We encourage NCG members to partner with us in meeting this challenge.”

*Stephanie Rapp—Co-Chair of Disaster Preparedness Task Force, NCG
Senior Program Officer, Walter and Elise Haas Fund*

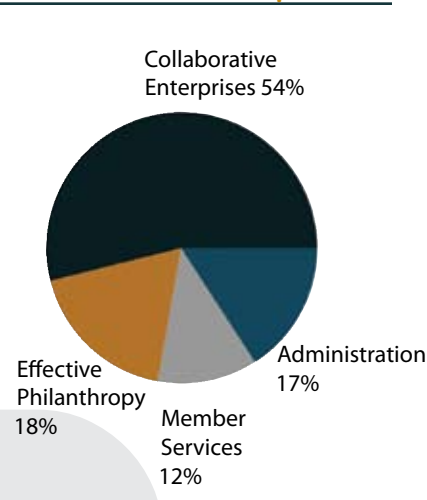
Statement of Financial Position

Assets	
Cash and Cash Equivalents	\$1,074,111
Short Term Investments	\$1,451,928
Receivables	
Accounts	\$15,193
Contributions	\$135,000
Loans	\$496,269
Prepaid Expenses & Other	\$28,228
Office Equipment	\$4,331
Total Assets	\$3,205,060
Liabilities & Fund Balance	
Liabilities	
Grants Payable	\$500
Accounts Payable	\$11,285
Deferred Membership Fees	\$57,991
Accrued Liabilities & Other	\$29,515
Payable to Fiduciary Groups	\$423,230
Total Liabilities	\$522,521
Fund Balance	
Net Assets	\$2,534,585
Change in Net Assets	\$117,954
Total Fund Balance	\$2,682,538
Total Liabilities & Fund Balance	\$3,205,060

2007 Sources of Income



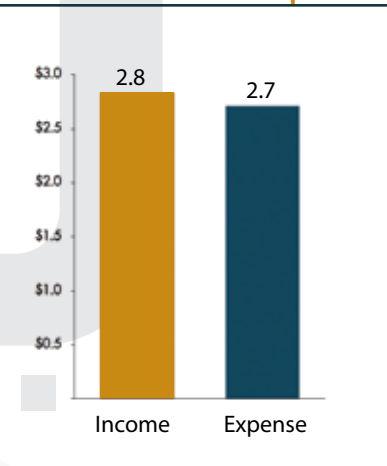
2007 Sources of Expenses



Statement of Activities

Income	
Membership Dues	\$741,798
Contributed Income	\$1,874,223
Earned Income	\$212,058
Total Income	\$2,828,078
Expense	
Salaries & Wages	\$969,567
Professional Services	\$332,640
Non-Personnel	\$805,632
Grantmaking	\$602,286
Total Expense	\$2,710,125
Net Increase (Decrease)	\$117,954

2007 Income and Expenses



2007 Standing Committees

Chairs Noted

Ad-Hoc Communications

Chris DeCardy
The David & Lucile Packard Foundation

Briefings & Gatherings

Cindy Rambo, Zellerbach Family Foundation
Molly Wertz, United Way of the Bay Area

Corporate Contributions Roundtable

Carrie Varoquiers, McKesson Foundation

Disaster Preparedness & Response Initiative

Larry Goldzband, Pacific Gas and Electric Company
Stephanie Rapp, Walter and Elise Haas Fund

Family Philanthropy Exchange

Nancy Wiltsek, Pottruck Family Foundation

Knowledge Management

Alexa Cortes Culwell, Stupski Foundation

Membership

Teri Yeager, William Randolph Hearst Foundations

Organizational Effectiveness & Professional Development

Don Jen, Marin Community Foundation
Sharon Keating Beauregard, The Lucile Packard Foundation for Children's Health

Public Policy

Ruth Holton Hodson,
The California Wellness Foundation
Ellen Widess, Rosenberg Foundation

Collaborative Funds

Arts Loan Fund

Frank Lalle, Silicon Valley Community Foundation
Ted Russell, The James Irvine Foundation
Diane Sanchez, The East Bay Community Foundation

Emergency Loan Fund

Dutch Haarsma, Northern California Community Loan Fund
Linda Moll, Rosenberg Foundation

Summer Youth Project

Melissa Eckert, Koret Foundation
Maya McCray, Silicon Valley Community Foundation

2007 Member and Donor List

AAA of Northern California
AB Fund
Akonadi Foundation
Alliance for California Traditional Arts
Jenifer Altman Foundation
Atkinson Foundation
Ayala Foundation USA
Bank of America Foundation
Bank of Marin
Banks Family Foundation
Bechtel Foundation
S.D. Bechtel, Jr. Foundation
Bella Vista Foundation
Blue Shield of California Foundation
The Bothin Foundation
The Braddock Foundation
The Frank H. and Eva B. Buck Foundation
California Bar Foundation
California Council for the Humanities
The California Endowment
California HealthCare Foundation
The California Wellness Foundation
Candelaria Fund
The Cantus Fund
Marguerite Casey Foundation
Center for Ecoliteracy
Changemakers
Chevron
The Christensen Fund
Cisco Systems Foundation
CITIGROUP
College Access Foundation of California
Columbia Foundation
Community Foundation of Santa Cruz County
Community Foundation Sonoma County
Compton Foundation
S.H. Cowell Foundation
Department of Children Youth and Their Families, City of San Francisco
William H. Donner Foundation
The Dunsbaugh-Dalton Foundation
The Durfee Foundation
East Bay Community Foundation
eBay Foundation
Stephanie Evans
Tarah Evans
Chris Eyre
Firelight Foundation
Fireman's Fund Foundation
Fitzpatrick Foundation
Fledgling Fund
Fleishhacker Foundation
The Flora Family Foundation
The Ford Foundation
French American Charitable Trust
Tim Freundlich
Friedman Family Foundation
Full Circle Fund
Gaia Fund
Gap Foundation
The Fred Gellert Family Foundation
Genentech Foundation for Biomedica Sciences
The Wallace Alexander Gerbode Foundation
Give Something Back
Lisa and Douglas Goldman Fund
Richard and Rhoda Goldman Fund
JW & HM Goodman Family Foundation
Evelyn and Walter Haas, Jr. Fund
Mimi and Peter Haas Fund
Walter and Elise Haas Fund
Crescent Porter Hale Foundation
Harden Foundation
Health Professions Education Foundation
William Randolph Hearst Foundations
Clarence E. Heller Charitable Foundation
Hellman Family Foundation
The William and Flora Hewlett Foundation
Hilltop Group Charitable Foundation
Horizons Foundation
Housing Trust of Santa Clara County
Kimberly Hughes
Humboldt Area Foundation
IBM Corporation
The James Irvine Foundation
George Frederick Jewett Foundation
Jewish Community Endowment Fund
Walter S. Johnson Foundation
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The Ken and Judith Joy Family Foundation
Junior League of San Francisco
Justice and Hope Fund
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Pacific Forest and Watershed Lands Stewardship Council
Pacific Gas and Electric Company
The David & Lucile Packard Foundation
The Lucile Packard Foundation for Children's Health
Pajaro Valley Community Health Trust
Pearson Foundation
Penney Family Fund
Philanthropic Ventures Foundation
The PMI Foundation
Pottruck Family Foundation
REDF
Rex Foundation
Rockefeller Philanthropy Advisors
Rosenberg Foundation
RSF Social Finance
The San Francisco Foundation
San Jose Education Foundation
The Charles Schwab Corporation Foundation
Jeffrey Shields
Shinnyo-en Foundation
The Sierra Fund
Sierra Health Foundation
Silicon Valley Community Foundation
Silver Giving Foundation
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Surdna Foundation
SV2
Target Corporation
Team-Up For Youth
Teichert Foundation
Tides Foundation
Tomkat Foundation
Caroline Tower, Lifetime Member
True North Foundation
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Universitywide Aids Research Project
Wayne and Gladys Valley Foundation
van LöbenSels/Rembe Rock Foundation
Vesper Society
Vodafone - US Foundation
Washington Mutual
Wells Fargo Foundation
The Whitman Institute
The Women's Foundation
Y & H Soda Foundation
Zellerbach Family Foundation
ZeroDivide (formerly *Community Technology Foundation*)

2007 Contributors

Association of Fundraising Professionals
Beldon Fund
The Clorox Company
Community Foundation for Monterey County
Mary A. Crocker Trust
Mellam Family Foundation
City of Oakland
The Bernard Osher Foundation
Quixote Foundation
Rose Foundation for Communities and the Environment
San Francisco Business Times
Richard & Mary Solari Charitable Fund
Woodlawn Foundation

Members who made additional contributions are shown in bold.



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About NCG

Northern California Grantmakers (NCG) is an association of foundations, corporate contributions programs and other public and private grantmakers. Building on an initiative started in 1965 to exchange ideas, improve cooperation among foundations, and increase their knowledge of community problems, NCG has now grown to support the activity of approximately 160 member grantmakers active in the Bay Area, with combined grantmaking of more than \$1 billion annually.

NCG's work is focused in two broad arenas: enhancing the effectiveness of philanthropy, and strengthening the ties between philanthropy and its many stakeholders in nonprofit organizations, government, business, media, academia, and the public at large.

Northern California Grantmakers

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Collaborative Enterprises

Susanne Ross, Program Officer
Sai Siegel, Program Associate

Effective Philanthropy & Public Policy

Angela Jones, Program Associate
Dion Ward, Program Associate

Administration

Suki O'Kane, Director
Jenny Chinn, Administrative Associate

Acknowledgements

NCG would like to acknowledge the efforts and contributions of staff members who transitioned into new positions during 2007: Judy Berger, former Director, Member Services; John Mortimer, former Director, Collaborative Enterprises; CJ Callen, former Director, Effective Philanthropy & Public Policy; Lauren Friedman, former Program Associate, Collaborative Enterprises & Effective Philanthropy; Charlie Fernandez, Program Intern, Public Policy

