



MINNESOTA COUNCIL
ON FOUNDATIONS

PRINCIPLES FOR PHILANTHROPY

2020-2021 Philanthropy and Public Trust
Task Force

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2021 Philanthropy and Public Trust Task Force

Angie Miller

Trustee
Northland Foundation

Armando Camacho

President & CEO
Wilder Foundation

Bo Thao Urabe

Executive Director & Network Director
Coalition of Asian American Leaders

Bukata Hayes

Executive Director
Mankato Diversity Council

Claire Chang

Senior Program Officer
Blue Cross & Blue Shield of Minnesota
Foundation

Heather Logelin

President
St. Croix Valley Foundation

Joel Luedtke

Program Director
The Jay and Rose Phillips Family
Foundation

Kate Barr

President & CEO
Propel Nonprofits

Kelly Webster

Senior Program Officer & Legal Counsel
Richard M. Schulze Family Foundation

Leslie Wright

*Vice President of Development and
Alumni Relations*
Mitchell Hamline School of Law

Mercedes Plendl

Program Manager
Better Way Foundation

Molly Matheson Gruen

Program Operations Director
Bush Foundation*

Nichol Higdon

Vice President of Finance
McKnight Foundation

Paul Williams

President & CEO
Project for Pride in Living*

Sarah Duniway

Partner
Lathrop GPM LLP

Wendy Merrick

Program Director
West Central Initiative

*Committee Co-Chair



Preamble: An Invitation from MCF Members

These principles are offered with a spirit of invitation. Fellow philanthropic organizations, we hope you will join us, the members of the Minnesota Council on Foundations, in making these commitments – to ourselves, each other and to the community. At a time when our country is greatly divided, we believe these principles provide unity to carry us into the future.

Our organizations are guided by these principles. The value of these principles lies in our collective commitment. When we commit, together, to ethical leadership, equity and justice, continual learning and the rest of the principles contained herein, there is vast potential for our positive impact. By naming our commitments, we invite accountability from one another and the broader community.

Since the last revision to the Principles for Philanthropy in 2006, the work required of the sector has greatly evolved. Our historical and current realities require the field of philanthropy to rethink and redefine our collective work. We are called to address structural inequities and systemic racism; we are asked to engage and share power with community; we are challenged to deploy more of our assets. We are called to do better, with humility and generosity.

These Principles for Philanthropy were developed using a developmental framework, whereby each organization has its own starting point. Together MCF members commit to accepting these principles as a common baseline from which we will undertake individual, organizational and collective growth.

Wherever you see your institution on the spectrum of organizational development, the Principles for Philanthropy offer an opportunity for learning and improving, as described later in this document. Through MCF, the philanthropic sector transforms our efforts to collectively advance prosperity and equity.

We are better together. We hope you will join us.

Approved by the MCF Board of Directors - June 17, 2021

PRINCIPLES FOR PHILANTHROPY



History

The original work of writing the Minnesota Council on Foundations' Principles for Grantmakers took place in 1994-1995 through the work of MCF's Philanthropy and Public Trust Task Force. The committee was named "philanthropy and public trust" in order to demonstrate a commitment to upholding standards beyond basic legal requirements – standards that would uphold the public's trust in philanthropic organizations.

Former MCF President Bill King explained the effort in these words:

“ Purposeful work in creating standards and identifying exceptional philanthropic practices keeps us engaged in continual improvements, brings others new to the field into the fold, and demonstrates to all constituencies our commitment to not just maintain but also seek the public's trust.

The Minnesota Council on Foundations was founded in 1969 by several leading foundations at a time of increased scrutiny, as Congress had recently passed the first substantial regulation of philanthropy. From that beginning, MCF's work focused on ethics, law and "lived" standards in the field. Our role was to advance the work of foundations in fostering public trust.

In 1996, MCF became the first regional philanthropic association to adopt a set of principles for foundations and corporate giving programs. In the time since then, various regional, national and international organizations adopted MCF's Principles for Grantmakers. MCF approved an updated version of the Principles for Grantmakers in 2006.

In 2020-2021, MCF reconvened the Philanthropy and Public Trust Task Force to again rewrite the principles, taking into account a heightened focus on equity and anti-racism and new demands for transparency and engagement from community partners. This time, committee members included a balance of grantmakers and grantee partners – committed to sharing a holistic view of philanthropy's work across Minnesota. We offer these principles for the betterment of our organizations and our communities.

How to use the Principles for Philanthropy:

A Note from MCF Staff

When you become a member of the Minnesota Council on Foundations, we ask you to subscribe to these principles. Based on your progress along the spectrum of the developmental framework, you may recognize your organization at any of the three phases where we are called to understand, to begin or to aspire.

By joining MCF, you signal that you accept the spirit of these principles and you are on a path of learning and organizational growth.



Understand

Each of us and our organizations must take time to understand the context of philanthropy within a complex society. Without understanding our environment, we cannot do the work required to advance prosperity and equity.



Begin

You and your organization might begin today. Maybe you've begun the work long ago. This document will be augmented with a second publication, the Practice Options for Philanthropy, coming in 2022. The Practice Options will further define concrete actions and examples for grantmakers to achieve these principles.



Aspire

Whether you are ready to lead or follow, we can achieve more, together. High goals give us room to grow and provide more opportunities for positive impacts across our communities.

Private foundations, public charities, family foundations, corporate giving programs and other organizations make up MCF's membership. Each type of organization will interact with these principles in unique ways. Additionally, staff, board, volunteers and donors will arrive at different developmental levels.

Though the work varies by organization—we invite you to join us on a path toward a universal goal: build public trust while collectively advancing prosperity and equity.

We encourage you to reach out to MCF staff to learn how the Principles for Philanthropy can be used to advance your philanthropic work.

Understand

Begin

Aspire

01. Ethical Leadership



We believe that ethical leadership is required to build and maintain community trust in philanthropy.

This is achieved through adherence to laws, good governance and community-informed decision-making.

We serve our organizations and communities in a way that engenders trust.

We adhere to all applicable laws and take seriously our fiduciary duties. In order to maintain trust, we seek to continuously improve our governance, decision-making processes and organizational culture.

We actively engage the community in our governance and decision-making, balancing donor intent and community need.

We strengthen community trust by including new and diverse voices on our governing bodies and decision-making teams.

02. Stewardship



Our organizations are established for charitable purposes and operate with a privileged tax status.

We recognize that, in addition to money, foundation assets include investments, relationships, human resources, connections and networks, knowledge and expertise, and stature.

We recognize our organizations' roles as funders, employers, economic entities and community members.

Through each of these roles, we use the wide range of assets held by philanthropy to create positive benefits and impact with our communities.

We use all of our assets to build equity and strengthen communities, as defined by the communities, themselves.

We use all available tools such as values-based investing, impact investing and giving beyond minimum requirements, to generate community benefits.

03. Values



Having clear and transparent goals, missions and values allows us to be purposeful in philanthropy and facilitates accountability with communities and stakeholders.

Our missions and goals are clearly stated and are transparent to the community. We hold ourselves accountable to them.

We periodically examine our missions and goals for relevance, impact and alignment to our values.

We seek to understand and incorporate the values of our stakeholders and the communities we serve into our missions, values and goals.

The community participates in examining our mission, values and goals for relevance, and holds us accountable to them.

04. Equity & Justice



We recognize two truths. Our organizations are created to promote the welfare of others. Our commitment to equity requires us to dismantle disparities in access to power, money and resources.

At the same time, philanthropy is a system that is built on structural inequities and systemic racism. These inequities create a resource gap and power differential between philanthropy and the community.

We are in a unique position to promote equity and justice. We seek to understand how intersectional inequities and racism manifest in our organizations and our communities.

We work to become anti-racist individuals and organizations.

In order to advance equity and justice, we listen to the community, honor their story and rely on their lived experience to inform our grantmaking.

We acknowledge our privilege in resources and resulting power. We commit to increase power sharing with our community, especially with communities that have been historically marginalized.

We share power in decision-making, which increases community access to philanthropic resources. This increases equity and makes progress toward dismantling racism and eliminating systemic inequities.

05. Community Engagement



Philanthropy works best when it builds long-term community relationships rather than focusing on short-term transactions.

Positive impacts increase when we hold mutually respectful, direct relationships with the community. As a result of community engagement, philanthropic organizations become more relevant and more accountable to our community.

We listen to the desires of the community and we interact with the community in culturally appropriate, meaningful and respectful ways. We engage in continual and reciprocal listening and learning, cultural curiosity and humility.

In our relationships, we respect the community's time and resources and strive to give more than we receive.

We take time to understand our relationships with the community, align our aspirations and actions, and adjust our work, as needed. We solicit community critique and feedback.

We strengthen our grantmaking through power sharing, joint decision-making and funding of solutions defined and led by the community.

06. Public Voice



Philanthropic organizations enjoy power and influence that we must use responsibly, both individually and collectively, for the greater good.

Our public voice augments our grantmaking to demonstrate partnership in communities and to advance our goals.

We form our public voice by listening humbly to those with lived experience on issues we seek to influence.

We use our collective voice to share knowledge, educate ourselves and others, and impact change on issues that advance equity and strengthen our community.

We amplify the voice of communities that have been historically marginalized.

We use our collective voice to impact change in public policy and public opinion on issues important to our communities. We use our resources to amplify community voices and support grassroots organizing and advocacy.

07. Continuous Learning



We have unprecedented access to information from local and global sources including science, research and community networks.

Our communities offer rich information about the human impact of policies and resource distribution. We are obligated to use various information sources to actively learn and strengthen our practice.

We are curious about our work and engage in activities that help us to consider new viewpoints and address individual biases.

Through a range of learning activities including research, self-assessment, evaluation, professional development and community engagement processes we seek and use information that improves our grantmaking and expands our understanding of the community.

With the community, we engage in ongoing learning and jointly define funding priorities. We respect many cultural ways of learning and knowing and work to achieve individual and organizational cultural competency.

We promote continuous learning with our teams and our grantee partners. We improve our work by offering and using peer feedback.

08. Transparency & Accountability



Transparency builds trust and strengthens our accountability to the community.

By being transparent, we are accountable to our mission, values and goals.

We exhibit transparency by being clear, consistent and timely in our communications, decisions and commitments.

We share information publicly in order to meet regulatory requirements and uphold community expectations, in the context of our missions. We demonstrate accountability by learning from community feedback and critique.

We consider state and federal regulatory requirements to be the minimum standard of transparency.

We excel at transparency and accountability by engaging the community in decision-making and external evaluation of our work.

Glossary of Terms

Accountability: An organization's obligation to share information with its constituents and government agencies, including financial data, decision-making processes and conflicts of interest. Also, the ways in which we hold ourselves to achieve our stated goals and intentions. See also, Transparency.

Anti-racism: The active process of identifying and eliminating racism by changing systems, organizational structures, policies, practices and attitudes, so that power is redistributed and shared equitably.

Aspirational principle: Looking at the principles through a developmental framework, the aspirational principles offer growth opportunities for philanthropy, to reach beyond current practices. Many of MCF's aspirational principles seek to advance equity and be more responsive to community.

Collective voice: Joining together in groups of two or many organizations to align messages of common interest and values.

Communities that have been historically marginalized: Groups of individuals including those communities marginalized based on their race, gender, sexual orientation, age, religion, ability and other identities.

Community: Stakeholders, including but not limited to grantee partners, nonprofits, donors and individuals who may be impacted by a foundation's work.

Cultural ways of learning: Individuals and communities learn in many ways; often individuals or communities have a strength or a preference for learning through a particular mode such as visual, aural, verbal, physical, logical, social and solitary methods.

Decision-makers: Individuals who make decisions about funding and/or the foundation's strategic direction including, but not limited to board members/trustees, senior leaders and committee members/individuals who select grant recipients.

Developmental framework: A tool that offers multiple entry points for individuals and organizations to engage in a process/activity. Individuals and organizations begin at their current developmental level and engage in learning toward a common aspirational goal.

Equity: Equity promotes justice, impartiality and fairness within procedures and processes of institutions or systems, as well as in their distribution of resources. Tackling equity issues requires an understanding of the root causes of outcome disparities within our society.

Grassroots advocacy: Includes community-based activism and communication with the general public.

Intersectionality: A lens for understanding how various forms of inequality often operate together and exacerbate each other, becoming more than the sum of the parts. Inequalities may be based on race, gender, sexual orientation, age, religion, ability, class and other identities.

Justice: The work to achieve moral fairness and dismantle oppression against any group of people.

Lived experience: The wisdom and knowledge one gains through their individual experience and choices.

Partners and partnership: Individuals or groups with whom we work toward shared goals. While our roles are distinct, each partner's value and contributions to the work are treated as equal.

Philanthropy: The desire to promote the welfare of others, expressed especially by the generous donation of money to good causes. In this document, philanthropy is used in the scope of institutional philanthropy as carried out by foundations, corporations and related organizations.

Power: The ability to make decisions that impact others, to make the rules about those decisions and to impose one's beliefs.

Public voice: The organization's external relations and communications that seek to influence and inform others, in alignment with the organization's values.

Privilege: Unearned advantage, social power or right granted to members of a dominant group.

Stature: Perceived social importance or reputation gained by achievement or privilege.

Structural inequities: The condition where institutions, governments and networks create a disadvantage for a particular group, often resulting in unequal access to critical services such as education, health care, housing and employment. Structural inequities often adversely impact communities that have been historically marginalized.

Systemic racism: Societal or organizational policies and practices that create advantages and disadvantages based solely on race. In the United States, systemic racism and White privilege reinforce one another.

Transparency: An organization's choices about what to share publicly. Transparency starts with a basic level of public accountability (see definition for Accountability). More transparent organizations choose to move beyond basic accountability, for example, to share information about internal and external decision-making.

Trust: Belief in the truthfulness, honesty and reliability of a person or organization. Foundations engender trust through individual actions that build confidence over time.

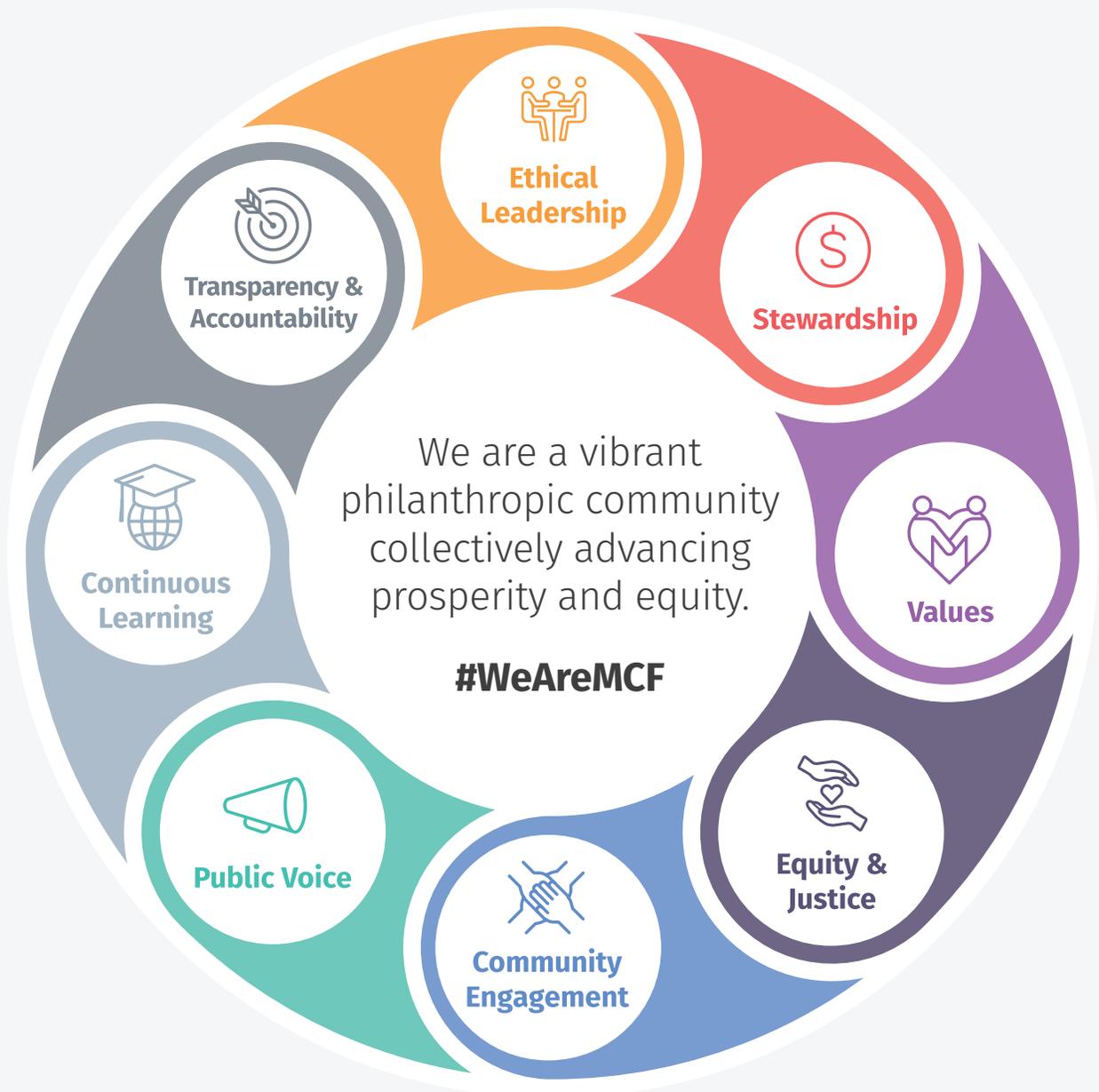
Values-based investing: A method of financial investing that is based on an organization's values such as considering environmental or social impact.

Continue learning by visiting Racial Equity Tools' online glossary: www.racialequitytools.org/glossary.



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About us

The Minnesota Council on Foundations (MCF) is an association of grant makers working to advance prosperity and equity through connecting, strengthening and mobilizing the field of philanthropy in Minnesota.

The organization's 150 members represent grant-making throughout the state, providing millions of dollars and non-financial resources to nonprofits annually. Members include family and private independent foundations, community and other public foundations, and corporate foundations and giving programs.

Contact us

800 Washington Ave. N. Suite 703 | Minneapolis, MN 55401

Phone: 612.338.1989

Email: info@mcf.org

MCF.ORG



The work of Principles for Philanthropy has been sponsored by Medica Foundation. On behalf of MCF and the 2021 Philanthropy and Public Trust Task Force— thank you!