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problem to solve as a grantee, not yours. No “business plans,” “exit strategies,” “building to scale,” “diversification of funding,” “earned-revenue strategy,” and so on. Given the size of your endowments, it looks like sustainability should not be a problem. After all, you have no problem staying in business. We also think that by seizing the programmatic initiative and changing the balance of power between grantors and grantees, we’ll have a good chance of attracting substantial future funding.

**Capacity building.** That’s for us to know and for you to find out about! Seriously, the Operating Grantee® system is all about capacity building. We estimate that the changes we’ve outlined here will free up 25 percent to 50 percent of organizational resources for programs and projects that can directly serve community needs. And we do it without time-consuming training workshops and expensive foundation-funded “technical assistance.”

**Organizational effectiveness.** You have to be kidding. At our sole discretion, of course. Frankly, on some days, we may just feel like horsing around on your dime. You better learn to live with it. (We can see this won’t be easy for you.)

**Program officers.** We like our program officers. For the most part, they are a convivial and jolly bunch, and from time to time we absolutely should still socialize. They may still take us to lunch at fancy restaurants and invite us to high-end conference centers for extended retreats. We don’t really see the need for such opulent facilities, but it seems to be a matter of cultural preference for foundation personnel. (Not to mention the lavish annual reports, and all that advertising on NPR.)

Program officers can also help process our invoices, and resolve all payment issues and problems. They have no other role and are specifically instructed not

to inform their senior management or boards about any aspect of our work.

**Program consultations.** We reserve the right to invite you to meetings where you tell us your ideas—even though we may decline to use them or use them without crediting or compensating you. (We think you are familiar with this process).

**Site visits.** No site visits. If we need a fancy office from which to make phone calls and in which to hold meetings, we’ll visit you when we travel to your city.

**Collaborations and partnerships with other nonprofits.** Sure, we will collaborate. But we’ll figure this out, not you. No more complex program requirements and grant

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application guidelines from hell. (See the above sections entitled “Program autonomy,” “Creative control,” and “Streamlined grant application process.”)

**Terminology.** Many of the terms and jargon mentioned above, including “branding,” “collaboration,” “organizational effectiveness,” “evaluation,” and “sustainability” should not be mentioned by you again—ever. Inappropriate use of terminology may result in additional surcharges on invoices. New terms and phrases will be introduced for you to use, such as “funder accountability,” “board diversity,” “After all, it’s not our money,” and “I guess we’re just going to have to defer to the grantee perspective on that.”

**Sabbaticals.** For professional enrichment, foundation staff members and executives will be sent on six-month sabbaticals at eligible nonprofits operating in the old-style fundraising relationships. A stipend at a community wage rate may be available.

Admittedly, this is a drastic departure

from our previous mode of operation. We regret any disruption to your normal routine; but we believe that these changes are in our mutual interest. Further, our board and management have already signed off on this model, so these points are nonnegotiable.

Our decision to become an Operating Grantee® will greatly improve our community responsiveness, operating flexibility, and financial bottom line. From our point of view, it’s much better to an Operating Grantee® than an indentured servant toiling on the neo-feudal Philanthropic Estates. We need Grantee-Driven Grantmaking® because we can no longer be constrained by foundation requirements and institutional structures that don’t work for us. The choice is clear.

Arise, ye suffering grantwriters of the world, and throw off your chains! You have a world to win and nothing to lose, save an oppressive professional and occupational culture and vast reams of unnecessary program rules and application requirements.

**Note:** Power to the Pen Inc. has trademarked the terms Operating Grantee® and Grantee-Driven Grantmaking® to prevent unauthorized commercial use. In consideration of the greater public good, however, we hereby grant to all prospective grantees an unrestricted Creative Commons license to the Strategic Nonprofit Reorganization Plan. This creative program strategy should be fully open source and open to all who need it.

**GRANT T. GOLDHAMMER** is the CEO and **OPHELIA PAINE** is the COO of Power to the Pen Inc.

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# A Strategic Nonprofit Reorganization Plan

by Grant T. Goldhammer and Ophelia Paine

**T**O ALL FOUNDATION CONTACTS AND “funding partners”:

Effective immediately, our nonprofit organization has reorganized and will henceforth do business as an Operating Grantee.<sup>®</sup> We’ve made this decision after extensive consultation with our board, senior management, other nonprofits, and external consultants. We believe that becoming an Operating Grantee<sup>®</sup> is the best way to serve our members, clients, and communities as well as our internal needs and the public interest.

Here are some key changes we’ve agreed on:

**Program autonomy.** We will no longer seek funding for specific projects of interest to the foundation community; instead, all future grants will support activities at our organization’s sole discretion. This change will allow us to develop programs that best meet the needs of the communities we serve and provide for greater public input and accountability.

**Creative control.** We will design our programs and strategies for maximum impact. But we reserve the right to engage in creative work that has unquantifiable,

nonmeasurable results and that is specifically not replicable or a model of any kind.

**Evaluation.** All activities will be evaluated by reference to our own program guidelines. We reserve the right to change these guidelines at any time. Assuming generous additional funding is available, external evaluators may be hired under contract to us and at our sole discretion.

## Streamlined grant-application

**We reserve the right to use  
your ideas without crediting  
or compensating you.**

**process.** We send you an invoice, you send us the money. No staff or board review on the funder side. This streamlined approval process will reduce meetings and bureaucracy as well as free up foundation staff and funds for expanded grantmaking.

**Budgets.** Aggregate budget figures will be provided to you and, at our discretion, adjusted upward.

**Personnel benefits.** These benefits will be at least as good as yours.

**Financial reporting.** After the

money is gone, we’ll send you a new invoice.

**Media.** Thanks for offering to help, but we’ll write our own press releases and send them out. We will formulate and execute the media strategy. You can review what we’ve produced when you see our coverage. Sorry, we can’t include any prewritten taglines, such as “Promoting genteel and refined culture for sensitive citizens since 1906” or guarantee that you’ll be mentioned at all.

**Branding.** All promotional activity will build our nonprofit brand, unless we choose to operate anonymously and do good deeds without callously claiming credit for them.

**Web sites.** The Web content we produce is for our site, not yours. We require a large grant-funded technology staff that’s at least twice as large as yours. You must link your site to our site prominently. We, on the other hand, will link to your site only if we wish to.

**Copyrights and patents.** Have you read this far? The exclusive property of the Operating Grantee, of course.

**Sustainability.** We’ll just keep sending you invoices as needed. This is our

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