



Decentralized? Local Decision Making With Centralized Reporting

By Henry A. Bromelkamp

My neighborhood organization is having a fundraiser next week, a benefit performance of Shakespeare's "Taming of the Shrew." We contacted a Wells Fargo Bank nearby to find out how to request sponsorship from Wells Fargo Foundation. Surprisingly, two days later we received a call that our request had been reviewed and approved by the employees at the branch.

Corporate foundations and giving programs walk a tightrope sometimes. How can they accomplish the most at a local level, keeping regional and local units involved in their communities, and still meet corporate priorities and legal requirements?

Luckily, technology can make local grant making easier, even while maintaining a centralized grants management database. Internet (publicly accessible) and Intranet (accessible only to employees) web sites to collect and disseminate contribution and matching gift information. If a central database remains at the core, local decisions can still be included in consolidated reports of the giving program and ensure that legal and programmatic requirements are met.

Carolyn Roby at Wells Fargo Foundation Minnesota described two approval processes. On the one hand, the foundation has some regional funds for programs in the metropolitan area, requests for which are reviewed by a metropolitan committee. But most requests (from non-metropolitan areas or for a neighborhood or a school) go directly to the nearest Wells Fargo office, each of which has its own contributions authority. The local office submits a grant commitment with a one-page description and support materials to the foundation, which returns a check to the local office to deliver or present to the applicant. "The foundation doesn't make the decision on most contributions," Roby explains, "We just keep the records and facilitate the process." The key is that the decisions are made locally, but the database processes all the contributions of the foundation. "You can't have a decision from the top to decentralize without executing it well on the ground," Roby said, "You can't have one without the other."

Decentralizing grant decisions to the storefront level may not work for every company. "A reason it works for Wells Fargo is that our 140,000 team members are in every community that we do business," Roby said, "It would be hard for a cereal maker like General Mills to have local decision making in every town it sells cereal." The personal contact has value beyond the contribution itself. "When people apply and talk to our team members, oftentimes community issues and paths for addressing them get discussed. Accomplishments come from personal contact, when people get together and listen."

Some giving programs don't have such dispersed decision making, but can still make use of technology to collect data from those who initiate requests. At LaSalle Bank, based in Chicago, "contributions requests come mostly from inside the corporation," says Brad Ballast, Director of Corporate Contributions, "because we tend to direct our contributions to organizations where our bankers are involved at the board level or where our customers have a close affiliation." In the past, requests have consisted of an internal memo (paper or email) or an occasional outside proposal. But next quarter an Intranet web site will allow employees to make their requests

electronically. Ballast says “this will save most of the time we now spend entering data into our database, and we’ll be sure the content is complete.” When requests are received, Ballast's office can approve contributions up to a certain dollar limit, above which recommendations are made directly to LaSalle's CEO, who makes the final approval decision.

Verizon Foundation has a paperless electronic giving program. Applicants apply on the foundation’s sophisticated web site <http://www.verizon.com/foundation>, which screens organizations using an “online eligibility quiz.” Based on the geographic location of the community served, each application is electronically forwarded to regional and unit managers in that community for review and recommendation. The managers receive email informing them of the request, then log into the web site to evaluate the request, add comments, and either approve, decline, or forward it to the Foundation headquarters for national consideration. Each approval is recorded with an electronic signature.

“We never have less than two people sign off on any grant.” explains Gale A. Cirigliano, Verizon Foundation’s Director of eSolutions & Technology Programs, “but we also want to maximize our dollars and not duplicate efforts, so in places with many office locations, a request goes through an upper level manager. Over a certain amount, it might also go to the officers or the foundation board.” Verizon generally responds within 72 hours; sometimes just to notify the nonprofit that a request is under review or to request additional information.

Email notifies applicants and executives of the pending and approved grants. Payments can be electronic, though most applicants still prefer a letter and a check. At any time, managers and the public can look on the web site to see what grants Verizon Foundation has awarded.

The distinctive aspect of Verizon’s system is that every step in the process is electronic—including its reports structure. The system is available any time and anywhere there is an Internet web browser. “The geographic dispersion of the decision makers is contrasted by the centralized database that is the comprehensive record of the foundation’s work,” Cirigliano explains, “so we and the public can see an overall picture of our activities.”

At Bromelkamp Company, I teach our clients to “never type the same thing twice.” Corporate foundations and giving programs can carry that through the entire contributions process. Collect requests on the web, directly into the grants management database (make sure it checks to see if the organization is already there, not just create a new record). Have decision makers record their opinions and decisions electronically. Notify applicants via email, fax, or merged letters. Pay using electronic payments, or by direct connection to the corporate accounting system. Email applicants about overdue reports. List the grants on the web site.

I told Carolyn Roby about our local Wells Fargo Bank’s support of our “Taming of the Shrew” fundraiser, and how the staff at the bank branch had been so excited with our project. “Yep,” she said, “they do that all by themselves.” I could almost hear her smile. “Pretty slick,” she said.



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