

THE MCKNIGHT FOUNDATION

710 South Second Street
Suite 400
Minneapolis,
Minnesota 55401
612-333-4220
612-332-3833 fax
www.mcknight.org

October 28, 2008

Dear Friend:

The McKnight Foundation's grantees are our most important partners in efforts across programs to improve lives. Working together, we strive to create and implement thoughtful solutions to complex problems. To enable the most effective collaboration, we are always considering how best to establish and nurture these key relationships.

Last fall, we wrote about the results of a grantee survey conducted in 2006 by the Center for Effective Philanthropy, a nonprofit research group. (The survey results are on our website at www.mcknight.org/granteesurvey.) While the report provided much positive feedback about the Foundation's impact, knowledge, and public policy work, it also identified areas where we could stand to make improvements.

In response to the survey, McKnight's staff has implemented changes in several areas to better serve our communications and relationships with grantees and other partners. Because these changes were devised to help how we serve our grantees, we want to tell you a bit about them. In the past year, we have:

- Revised all program guidelines to make them more consistent in look and content, and invited grantseekers to provide anonymous feedback about the guidelines' clarity.
- Reviewed and revised all language used in correspondence to process grants and payments, to clarify the expectations and the responsibilities of all parties.
- Added direct email addresses to the staff listings on our website, to promote accessibility and transparency in staff roles.
- Documented our standards for grantmaking, from turn-around times for returning calls to processing payments, to ensure all programs and grantees receive uniform consideration.
- Updated email and web links of active grantee organizations, to help us share relevant news and other information, and link correctly to each grantee from our online grantee database.

In the coming months, we will continue making improvements in many areas.

Having just finished reviewing our operational and legal requirements for grant reports, we are now working to finalize a reporting system that will be useful both to us and to our grantees. Some grantees have already been contacted with one important change: we no longer require final reports for most general operating grants. (However, we do still request interim reports for all grants with multiple payments; and final reports for project, program, and capital grants.)

We also have engaged staff from across the Foundation's operations and program teams to comprehensively review, analyze, and recommend options to implement efficiencies, promote mutually beneficial relations, and streamline the grantmaking process for grantees. And we are considering implementation of different processes to facilitate faster payments, reduce bureaucracy, and maintain open channels of communication. We will be in touch about advances in these areas in the coming year.

October 28, 2008

Page 2

These items reflect just a few of the ways McKnight's staff are striving to become the most effective collaborators possible. As with this letter, our pledge is to maintain open and honest communications with you and our other partners. We will continue sharing information about our work, as we also continue to ask for your feedback on how we're doing. Your anonymous input is welcome at www.mcknight.org/granteesurvey.

Especially in tight economic times, I believe increased efficiencies through such improvements can better equip *all* of us to fulfill our missions and sustain vibrant, resilient communities. However, I also understand that it takes more than efficiencies and good intentions to keep the lights on in a struggling economy.

As the markets rise and fall, many grantees have expressed reasonable concern about how McKnight's grantmaking may be affected. The truth is that it's still too early to know; it will be weeks before McKnight sets its payout goals for 2009. As we continue to plan for the coming year, I can promise we'll keep a watchful eye on things and we will make ongoing decisions in harmony with the Foundation's longstanding mission and values. And, as needed throughout, we will keep our grantees and partners well informed.

As always, we remain profoundly appreciative of our partnerships and of the important work of organizations like yours.

Sincerely,

A handwritten signature in black ink that reads "Kate Wolford". The signature is written in a cursive, flowing style.

Kate Wolford
President