CORPORATE – COMMUNITY PARTNERSHIPS

western sydney community forum

University of Western Sydney

Developing a Common Language between Corporations and Small Community Organisations

A Resource Handbook

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Introduction to Corporate-Community Partnerships

Background to the research

This research was undertaken so as to address a practical problem faced in the community sector. As competition for federal, state and local government funding has increased dramatically in recent decades, many organisations within the community sector now feel compelled to look elsewhere to supplement their financial base. Corporate support is increasingly viewed as a viable alternative, although many (particularly small) organisations are finding it hard to navigate and effectively compete within this new funding environment. The role of language across these two very different sectors has been located as a major stumbling block, as the cultures, expectations, ideals and personalities between the corporate and community sectors may vary dramatically. In response, this research has attempted to explore the opportunities of corporate funding for community organisations, as well as resolve some key areas of difference, confusion and inequity.

As part of the research, 100 community organisations were initially surveyed, followed by interviews with 24 non-profit organisations, 14 corporations, 3 peak bodies (2 community and 1 corporate) and 1 intermediary organisation. Data drawn from both surveys and interviews informed us on the motivations, expectations, benefits, frustrations, as well as positive and negative experiences on both sides in developing philanthropic partnerships. Finally, a “Search conference” was held with participants from both sectors to help resolve some of the “problem areas” located.

The purpose of this handbook

Developing a Common Language between Corporations and Small Community Organisations: A Resource Handbook is designed to assist managers from both sectors to better understand and manage organisational partnerships. More specifically, this handbook is focused on developing greater insight and awareness of the benefits and limitations in partnerships, while equipping particularly small community organisations with the means in which to pursue and build upon successful relationships with corporate funders.

As will be outlined in later sections, language plays a central role in building mutual understanding and trust between the two sectors. However, all too often language forms a significant barrier to true partnerships, and this barrier has much to do with how we understand various activities, roles, processes and key terms that are located across the corporate and community sectors. As we speak, meaning is often drawn subconsciously from a number of areas; such as personal experience and organisational background, as well as a wide array of social, cultural and sometimes ideological assumptions about the world. Not everybody thinks the same way, and it is also clear that not everybody reading this handbook will view community activities or corporate citizenship in the same manner. Given the importance of language in building good relationships between the corporate and community sectors, various strategies and resources are presented in this booklet to assist managers in working through these barriers and better reaching their objectives.

Corporate-community partnerships in context

Recent decades have seen a rise in the level and extent of business support for community based organisations in Australia (Cronin & Zappalà 2002; Lyons & Zappalà 2008). However, businesses and community organisations apply different language and approaches to organisational form, planning, evaluation and accountability which are not easily integrated, understood, and often appear contradictory. While a number of studies have attempted to locate the perceptions of problems on both sides, this research marks the first attempt to get both sides together so as to find practical alternatives some of these issues. Before outlining some of the research findings, the section below provides some background into Australian corporate philanthropy and its various forms.

Corporate philanthropy

According to *Philanthropy Australia*, "philanthropy" is defined as:

> *The planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community.*

Resource:
For helpful information and advice on the various aspects involved in business-community partnerships, including an explanation of the specific forms of corporate support visit:

OurCommunity.org.au

Lyons (1999) found that corporate support for non profits takes on a range of forms, from money, goods and services to "loans" of staff. The Centre for Corporate Public Affairs (2007) lists such forms of corporate philanthropic activities as inclusive of:

- Sponsorship
- Cause related marketing
- Collaborations
- Community relationships
- Volunteering / pro bono
- Engagement as "influencers"
- Research partnerships

Corporate-community partnerships are increasingly being defined as those embodying the principle of *mutual benefit*, and less so being built upon the principles of *charity*. The Centre for Corporate Public Affairs (2008) depicts more developed partnerships as those in which the missions of community organisations have come into "alignment" with the strategy of the corporate supporter. Research has also shown that strategic approaches to social responsibility (termed as *enlightened self-interest*) are becoming more prevalent amongst major players in the Australian corporate sector, also reflecting a move towards "integrative" mutually beneficial relationships (Centre for Corporate Public Affairs 2008).

Resource:
Philanthropy Australia currently provides a directory of 350 grant making institutions. For a fee, organisations can subscribe to this online directory:

http://philanthropyaustralia.org.au/publications/purchase.html

However, smaller NGOs in Australia are facing barriers in obtaining corporate support. Larger charities and the more “marketable” non-profit causes are found to be those most likely to win out in the competitive philanthropic market. Primary reasons for the preference to fund large NGOs were put down to their knowledge of corporate processes, ability to efficiently invest staff, time and “resource” successful partnerships (Lyons & Zappalà 2008).

Some Useful Tips for Effective Partnerships

➢ Be effective in when approaching a corporation

You should be aware that not all corporations conduct businesses in the same way. Due to this complexity, the likely contact with the corporation (i.e. community partnerships or CSR manager) will appreciate prospective partners who show they have completed some **background research**. You may wish to find out more about the corporation (through their Corporate Social Responsibility section of their website), look into the types of partners and causes they support and ensure beforehand that your activities meet their core "focus area" before submitting. After researching a partner, a submission will be more successful if it is written relatively jargon-free, direct, brief, and provides some detail of what you intend to do in a project and how you intend to spend philanthropic funds. Manuals such as Meachen's (2009) *A Grantseeker's Guide to Trusts & Foundations* provide clear pointers on what funders usually expect to see in submissions. Some corporations like to search for their own community partners while others prefer to have NGOs approach them. Finding more about the corporation may be useful in saving time and effort before (perhaps needlessly) applying for funding.

➢ Presentation

Corporations like to see community organisation managers put effort into "selling" their organisation's aims and activities. The most effective community organisations are those that are clear in explaining their operations. It is useful to remember that corporate executives do not have the same experiences and world views as many do in the community sector, so try to meet them half way when making a proposal. Being dynamic, dressing appropriately and generally "looking the part" will go quite some way in winning over a sceptical funder.

➢ Communication

Great care is needed in communicating with corporate representatives. While exciting a prospective partner is important, they also want to hear, in basic terms, what it is your organisation does, how you intend to go about doing it (i.e. if you were to form a partnership how will you spend the philanthropic funds?), whether you have effective structures in place to "account" for how the funding is spent (will you meet their financial requirements?), and what your project will do for the communities you work within. Being able to clearly exhibit the "impact" of your work on individuals, groups or communities will greatly assist in impressing and reassuring corporate funders. However, forming your language may be particularly difficult for managers of smaller community organisation who have had little experience with the corporate sector. Some key words may actually have different meaning from one sector to other – see pages 12-16 for examples. Explaining community activities in a way that makes sense to corporations may take some care to perfect.

- **Maintaining relationships**

  Some corporations only provide relatively small grants or forms of in-kind support. However, showing continued interest toward a partner may be beneficial over the long term – some of the more effective and long-lasting partnerships begin small. If possible, allocate time on a regular basis to make phone or email contact with your funder and, on occasion, invite them down to your organisation (particularly for special events). If there are ethical reasons for keeping distance with a funder (i.e. your organisation works with very vulnerable individuals) it is useful to inform your funder of this. Doing so exhibits a high level of courteousness (that is often very well received) and exhibits that you are interested in the relationship beyond simply in receiving funds.

- **Having the relevant tax status**

  It is a reality of Australian corporate philanthropy that funders often expect to receive tax benefits when donating money to community causes. Having Deductable Gift Recipient (DGR) status will be of great use to community organisations wishing to form partnerships with corporations, as it enables a philanthropic gift to earn a considerable tax deduction (see glossary of key terms). However, DGR status remains a central area of inequity in the community sector (for instance, of the neighbourhood centres interviewed around half held DGR status while the rest did not). This very point was highlighted in the first Voice for SONG (2006) publication titled *The way forward: Tackling the issues confronting small community organisations*. Feedback from numerous community organisations indicated that renewed discussion and debate is warranted on the eligibility requirements for DGRs. *Change Makers* is an Australian organisation advocating for the removal of inequitable restrictions on DGRs and Public Benevolent Institutions (PBIs) through their Charity Law Reform Project. The broad objective of this project is to change the tax ruling so that charities currently undertaking or funding advocacy may qualify for DGR status. A link to the Change Makers website is provided on page 33 of this handbook.

For further information on DGR status and other non-profit related tax legislation visit: http://www.ato.gov.au/nonprofit

Below are some questions community-based organisations may wish to consider prior to forming a partnership:

1. What is a corporation looking for in a community partner?
2. What are the core values of the corporation?
3. Do these values correspond (or "align") with your organisation's values?
4. Is the corporation aware of what makes your organisation unique and/or effective?
5. What does the corporation expect in return for funding/support (for instance marketing benefits, brand promotion, volunteering, evidence of outcomes, etc)?
    a. Are you able to meet these expectations?
6. Are the prospective funder's expectations reasonable and ethical?
7. Is the prospective funder aware of any organisational constraints in fulfilling the funding objectives?
8. What form of relationship would you like to see develop?
    a. Does this match up with what the funder wishes to see?
9. What level of communication do you prefer?
    a. Are structures in place to support this level of communication?
    b. If no, is the corporation willing to work within these limitations?

Key Motivating Factors

What motivates both sides?

Corporate executives displayed motivations to partner with small community-based organisations. However, frustrations were almost universally expressed with regard to reporting processes and general communication with Australian NGOs and smaller community organisations. As a result, the perceived deficiencies from within the third sector spurred wariness in corporations to engage with organisations that exhibited financial difficulties/ limitations, an unestablished profile or "brand". These perceptions provide some idea as to the reasoning for partnerships to commonly form between large non-profits and large businesses (Lyons and Zappalà, 2008). On the other hand, some executives had expressed concerns over partnering with very large charities due to uncertainty concerning value-for-money, and in some cases, a level of cynicism towards the motivations of the said charity.

"José" – Head of partnerships, NSW based Law Firm

"The organisation needs to tangibly benefit from the partnerships. I have to be honest with you, I get approached by organisations that I would say have a lot of resources. I would say that some of them are what would be termed peak not for profit groups, who do have a lot of resources and we partner with peak not for profit groups, that is not a problem. Ultimately we need to balance their needs against smaller incorporated associations and grass root organisations that have (I believe, sometimes) a greater need for strategic advice, legal assistance, in kind support and all the other elements that we can assist throughout our scheme."

"Sara", Team Leader, Community Engagement Department of a major Australian Bank

"If they are looking for core funding and they're not financially viable, or they don't have a great pipeline of funding and sustainable financial backing, don't come [here] because I don't have the money to pay salaries... I like to focus our program around capacity building."

Community organisations were highly critical of onerous accountability processes tied to public funding, and corporate support was sometimes viewed as an alternative source with less "strings" attached. One small community organisation to have expressed this point was entirely reliant on corporate funding, and remains successful in both maintaining existing relationships and forming new ones. However, this example is not replicated on a general basis, and for most community based welfare organisations, corporate support is sought in order to supplement existing government or individual (donor) support. Other motivations include organisations facing financial pressures due to reduced state funding, the speed of corporate support (especially in cases of emergency), and the opportunity for greater autonomy and creativity.

"Farrah" – Manager of a Community Cottage

"The thing with ongoing funds is that they're usually [...] a one to three year project and then they stop, and you've got to show sustainability. So that's a bit of a problem. ... and the other side of the coin is pro bono work, and that's very valuable in, for example, submission writing, although I know all the things that go into a submission, I know all the evidence, I know what outcomes I'm searching for (and so forth): One, I don't have the number of hours, I can't devote enough of the resources of the cottage to the number of hours that are needed for all the submission writing that we need to do, and then the follow up reporting that needs to go off if we are successful in that. Because I've got to put in so much of the resources into direct service delivery, and I can't compete with the big faith organisations (or whatever they are now, because a lot of them are not faith organisations, they say they're not anyway who have submission writers on tap, or consultants, or contractors whose sole job it is in life is to come up with these brilliant, brilliant submissions. Which have everything that everybody loves: "partnerships" and "sustainability", and all of that lovely stuff that everybody loves and packaged up and presented in such a lovely way... So yes pro bono work would be lovely".

Corporate	Community
▪ "The right thing to do" (altruism) ▪ Being perceived as socially responsible ▪ Tax concessions ▪ Intentions to expand consumer base ▪ Marketing and advertising benefits ▪ Staff retention through increased morale ▪ Branding - trust by associating with the community	▪ Financial assistance ▪ Speed of assistance ▪ Less strings attached in terms of monitoring and evaluation measures (in some cases) ▪ Enabling community organisations to focus on "area of expertise" ▪ Increased autonomy, flexibility, creativity, etc...

Summary of the main motivations

The table below summarises the motivating factors (on both sides) that influence the formation of partnerships as outlined by research participants.

While most corporate participants responded to questions concerning motivation of giving by stating variations of "because it is a good thing to do", many pointed to a "take out" that is also required. Furthermore, there exists considerable constraints to the nature of corporate philanthropy in the Australian context. A few of these constraints are listed below:

- The *Corporations Act 2001* (Part 2D.1) effectively limits the ability of corporate managers to give funding to non-profits in a purely altruistic (selfless) manner. Some form of return is required, as all corporate activity must be discharged 'in the best interests of the corporation'.

- Although some exceptions exist, it is unusual for a corporation to fund a wide variety of community organisations outside the business's value focus, consumer base or geographical area.

- A wider array of non-profits benefit when businesses engage in employee directed giving programs (i.e. those corporations that match or exceed donations given by their workforce), where there is a higher likelihood of smaller community-based organisations or more "political" NGOs (such as those with a human rights or environmental focus) being selected for funding. Nonetheless, organisations that are selected are likely well known or "branded" community or welfare based organisations.

The Problem of "Language"

Language does not just describe events, activities and intentions. The way we speak and write is also influenced by our personal world view or organisational perspective. As such, the manner in which we use key words or phrases within the field of philanthropy is often informed by our personal experience, and made sense of through each individual's professional, religious, cultural, social and political background. In the field of community welfare, language is an extremely powerful aspect of corporate-community relationships, as it assists in defining the scope of overall direction, but can also be the cause of much tension and confusion. The way ideas, submissions and plans are presented to prospective funders often requires considerable skill. As a result, language can impede the efforts of community organisation managers in forming successful partnerships with corporations.

Our understanding of language, and more specficially of key terms, may also differ significantly across (and even within) the two sectors. Although participants across the two sectors acknowledged the similar vocabularies in *describing* their experiences and objectives, the way these words were understood differed dramatically. *Efficiency*, *accountability*, *sustainability*, *success*, *returns*, *social responsibility* and even *partnership* are often understood differently between community welfare and corporate participants. While "returns" on funding may seem simple enough, some corporate trusts view *returns* through social return on investment (SROI) measures, which is in itself a highly complicated measurement tool (involving an organisation measuring the dollar value of its social impact).

A danger in language is that it may come to portray ideas and processes that seem detached from the everyday activities of community organisations. It is worth noting that the language used within community development is very powerful, with terms such as "grass-roots", "community-based", "capacity building" and "empowerment" holding considerable sway with prospective funders. Funders also like to be informed of the social "needs" demanding redress, while being reassured about an organisation's "strengths". As such, "sustainability" from a corporate perspective is usually associated with the financial viability of a community organisation. According to one corporate participant, 'every corporate's worst fear is that one of their partners goes under'. To alleviate such concerns, consistent reassurance would need to be given to a corporate funder so they are aware of your long-term sustainability, and that your organisation is not "dependant" on them for core funding.

In short, the most successful community-based organisations were those able to adapt and traverse between the two languages. At the same time, managers should maintain a strong connection to the values that are important to an organisation (and its stakeholders). Long-term partnerships can be highly beneficial, particularly for small organisations. In some cases, corporate partners have been known to develop highly engaged relationships with organisations, and have the capacity to provide linkages to additional funding sources through their networks, or provide much needed accounting or legal expertise on a pro bono basis. However, in the short term, approaching corporations "professionally" will assist in standing out from other applicants as the quotes below attest.

"David"
Head of Stores Fund, major Australian Retailer

"It's competitive, it's competitive. Money raised from corporate Australia is limited. There's a lot of people doing it but it's limited. So you've gotta go out there and 'pitch'. So it's gotta be done professionally."

"Chen"
CEO of a small community development organisation

"What I must tell you... when I go and visit the corporates I look and sound corporate! [...]Because they'd be horrified if I was dressed like this! Cos, you know... and that would be wrong too."

The manner in which words are framed are depicted in the following diagrams. Suggestions on how to "bridge" the language divide are also provided in the following pages.

Finding common ground on efficiency

Efficiency

Community:

Efficiency is best defined within a voluntary context through allocating funding with minimal reliance on overheads. Difficulty persists in proving efficient use of money given the often intangible nature of community development activities.

Corporate:

Efficient programs display "value for money". Doing so requires existing structures in place to prove their effectiveness. However, businesses are often unwilling to provide funding for these structures (this is a primary reason for the greater success of larger, well established NGOs to secure philanthropic funding)

Tips:

Care is needed when exhibiting “efficient” use of funding as it often prioritises financial value over social benefit. For small organisations, it may be sufficient to draw from existing annual reports (showing yearly input and output) to outline the efficient use of funds. Another option is to be creative and find Australian and international research papers and journal articles that explore the impact of comparable approaches or activities such as those of your organisation. This information can sometimes be presented supplementary to your own organisation’s “outputs”, to better explain likely social impacts and thus efficient use of funds.

Finding common ground on <u>social responsibility</u>

Community:

Providing support for the less well off and marginalised, even when the cause is not socially popular. Responsibility is often heavily tied to values of democracy, fairness and reciprocity.

Social responsibility

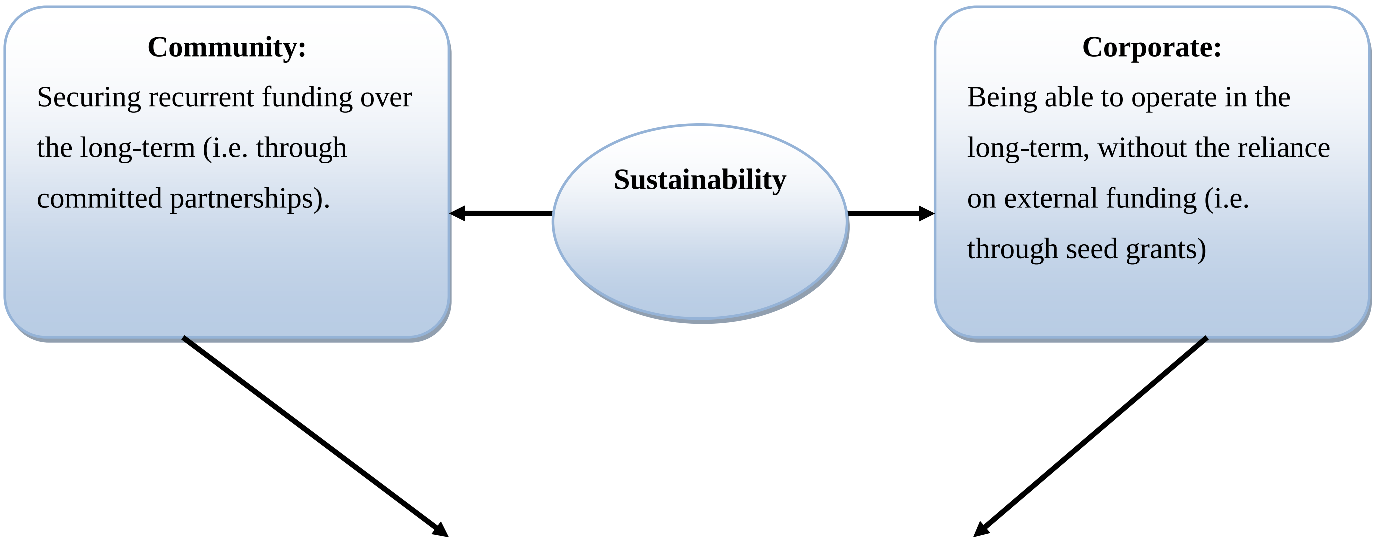
Corporate:

Giving back to the community by helping those most "in need". Often directed to empowerment programs aimed at children and women. High value is placed on education and financial literacy programs

Tips:

Do some research on funders before approaching them. You may find that they wish to focus philanthropic assistance on an area that sits outside of your organisations aims, operation and objectives. Also, you will often be required to clearly explain the social “need” or problem you wish to address when seeking funding/ partnerships. Providing in-depth details through the use of statistics or wider research will certainly assist your submission. Of course, this may not sit well with some community organisations, as community activity is often viewed as working *with* marginalised groups (working on community/ strengths based approaches), rather than through the “language of deficits”. Some community organisations are able to uphold their core values while “framing” their activities to resonate well with corporate funders. Note: the manner in which you will address *needs* should be clear and direct- but still encapsulate the values of your organisation.

Finding common ground on <u>sustainability</u>



Tips:

Sustainability is a key area of misunderstanding within philanthropic relationships. <u>Corporate funders usually like to fund specific projects on a short term basis, rather than community organisations more generally</u>, so reassuring potential funders of an organisation's financial sustainability needs to involve outlining other sources of funding. *A Grantseekers Guide to Trusts and Foundations* (Philanthropy Australia 2009: 13) suggests organisations exhibit a diverse array of funding sources including assistance from: government grants, fundraising, fee based services, sale of merchandise, sponsorship, individual donors, wills and bequests, etc. However, many of these funding sources are only relevant to larger charities and social enterprises, rather than small community–based organisations.

Note: corporations are often willing to assist in places where other corporations previously exhibited interest. If a current or past corporate relationship with your organisation has been managed well, you may find that this provides considerable reassurance to future funders. Community organisations are also much more adaptable to financial pressures than many larger third sector organisations (due to a reliance on dedicated volunteers, prior ability to survive in a competitive funding environment, etc...), so thinking about and developing any safeguards to managing financial risk would be useful.

Maintaining Existing Partnerships

Exploration of existing partnerships

Interviewees provided considerable insight into the success or otherwise of cross-sector partnerships. A number of guidelines for good practice from both sectors may be found below:

Key factors of successful partnerships

According to corporations:

- Alignment of values – like to see evidence of shared purpose.
- Support through seed grants – funding as targeted "investment", designed not to breed "dependency" (falls into corporate definition of sustainability).
- A community partner knowing what the funder expects.
- Good communication and presentation.
- Being able to accept help/advice.
- Honesty / consultation.
- Considerable time spent on maintaining the relationship.
- Appreciativeness.

According to community organisations:

- Being selective of funder/partner.
- Corporations taking an interest and understanding in the value of the organisation's work – i.e. through visiting the community and giving their time.
- Partners understanding the nature and pressures of the community activity.
- Both parties engaged, beyond self-interest.
- Staying connected with the grass roots.
- Financial security (falls into NGO definition of sustainability).
- Being able to define relevant accountability measures – built on organisational learning, and reflecting a wider list of stakeholders.
- Both partners being on equal footing.
- Ensuring a partnership survives in the event of staff changes.

Key factors limiting successful partnerships

According to both corporate and community sectors:

- Poor communication/understanding between the partner organisation/s.
- Focus on poverty alleviation and "needs", limits the capacity of some organisations in seeking corporate support.
- Market pressures and the discretionary nature of corporate support – less corporate support during a downturn, targeting popular and marketable causes (changeability).
- Communities wishing for recurrent funding, when this is often unavailable.
- Corporations often frustrated with "poor accountability" processes – corporate understanding of measurement is future oriented and often restrictive (outputs, outcomes, impact, dollar value, SROI, etc…).
- Inability of corporations to decipher between community organisations (perceived duplication of services).
- Partnerships that are built solely on individual contacts – staff turnover threatens the long-term viability of the relationship.
- Insufficient time allocated to sustainably maintain the relationship.
- Working with a "tarnished" partner.

Tips for maintaining positive relationships

- In the early stages of a relationship the expectations on each side should be discussed, with an agreement on project/ partnership requirements reached. The nature of communication, monitoring and evaluation processes, and key objectives to be met in return for funding should be achievable and fair for both sides. You do not want to agree to highly onerous reporting requirements if there are no structures in place to support them.

- Keep in regular contact with a corporate funder. A good corporate partner will be interested in what your organisation is doing, inclusive of both achievements and failures. Funders may also be willing or able to help when difficulties arise.

- Having corporations visit a community organisation or event is a useful way for them to see your work from a new perspective. Of course, fostering direct contact with a corporate partner should be balanced with the wellbeing of the community, clients or stakeholders. If there are ethical dilemmas in having close contact, you should clearly explain these reasons to a funder.

- Develop alternative organisational strategies to maintain relationships in the event of personnel leaving (on both sides). Many relationships do not survive when single lines of communication / contact are cut.

A Role for Peak Bodies in Facilitating Good Relationships

Peak bodies are in a unique position to pursue change in the area of corporate-community relationships. Interviews found that a number of corporations wished to provide support to grass roots causes. However, doing so was often impeded by the inability of corporations to distinguish between smaller organisations, deciphering the way community organisations monitor and account for the support provided, and some funders simply not knowing where to look. Moreover, problems are also experienced on the community side, whereby the everyday structural demands on small community organisations means there is little time, resources and know-how available to search for and develop positive relationships with corporations.

Within this environment, peak bodies are well placed to mediate between the two sectors, while advocating for change of where corporate support is directed and how community organisations are generally viewed within the corporate sector. Various strategies may be developed to better foster a common ground and mutual understanding. For instance, providing various forms of intermediary assistance and training for managers will better place community organisations in a position to meet the requirements of corporate funding. Building cross-sector networks and educating corporations of the pressures facing the community sector *and* benefits in assisting community-based projects, are some other ways that corporate-community involvement may begin to be distributed more equitably.

Peak bodies such as NSW Council of Social Services (NCOSS) have begun to take greater interest in corporate-community partnerships. An example of this interest was demonstrated during the 75th Annual NCOSS Conference 2010, where a session was held to promote this research. Other peak bodies have taken up the challenge of modernising current DGR legislation, most notably, the Local Community Services Association (LCSA) and Change Makers Australia (CmA). Widening the scope of organisations who qualify for DGR status to include all charities, neighbourhood centres and advocacy organisations (with a focus on “prevention’) would be a crucial step in creating a more equitable third sector.

APPENDIX ONE Glossary of key terms

Accountability	Most commonly used in reference to the reporting, monitoring and evaluation requirements placed upon the recipient by the funder/s. This term is also employed to denote a higher degree of transparency, or a process of democratic governance. Sometimes NGO accountability can be directed internally rather than externally.
Charity	An altruistic act (or institution) designed to alleviate need. Many critique this concept due to earlier paternalistic approaches and a tendency to focus on the "donor" rather than the "recipient" of good works.
Corporate-community investment	Similar to CCI, but with a strong focus on "returns" and building the capacity of recipients to achieve self-sufficiency.
Corporate-community involvement (CCI)	A value-free term used to describe some form of relationship between the corporate and community sectors. Some corporations prefer this descriptive term over CSR, as not all community involvement is philanthropic in nature (i.e. sponsoring sporting clubs).
Corporate Social Responsibility (CSR)	CSR may take on a number of forms; i.e. from a company working in the best interests of society or the planet ("ethical CSR" or "stakeholder CSR"), to maximising profits in the interests of the company's shareholders ("economic CSR"). Most major corporations adopt an approach that sits somewhere in between.
DGR status	The category of an organisation or charity that is legally permitted to receive tax deductable gifts. A DGR status is endorsed by the Tax Office, and is limited to NGOs who are able to demonstrate objectives relating to poverty alleviation or health promotion.

- For more information on monitoring, evaluation and reporting:
  http://philanthropywiki.org.au/upload/7/73/Reporting%2C_Monitoring_and_Evaluating_Corporate-Community_Projects.pdf

Inputs — The financial capital, goods, volunteer time or any other resource invested in a given activity.

Outcomes — The key changes to arise out of an activity, measured usually in social terms.

Outputs — The direct quantifiable results from a funded activity (i.e. number of families provided assistance or clients having participated in a program)

Philanthropy — Literally translates from ancient Greek to “love of mankind”. A term increasingly used to describe various types of donations aimed to benefit wider society. However, this term is not always used to describe activities that result in a transfer of wealth to the less well off (i.e. philanthropy in the area of art and culture).

Returns — Either refers to future-oriented (measured) returns on philanthropic “investments”, or present day fulfilment of basic needs. Future-oriented approaches are highly valued from a corporate perspective, although many small community organisations face difficulties assessing/measuring long-term “intangible” goals.

SROI — As defined by the London School of Economics (2004), social return on investment (SROI) “is a quantitative measurement of how effectively an organisation uses its capital and other resources to generate value for society”. SROI is gaining considerable interest within business due to its purported ability to place a monetary value of on organisation’s impact and comparing this value to the original philanthropic “investment”.

Want to know more about social return on investment (SROI)? See the following link: http://sroi.london.edu/Measuring-Social-Impact.pdf

APPENDIX TWO Further resources and contacts

Change Makers Australia (CmA) is an incorporated national organisation which aims to support the growth of social change philanthropy in Australia. The mission of CmA is to encourage and resource people and organisations in the philanthropic world and beyond to focus on social and economic justice, equality for all, and environmental sustainability. CmA are currently advocating for change to inequitable nonprofit tax policies (i.e. the criteria for DGR and PBI status). Their website also provides links to resources for people interested in social change philanthropy.

Email: changemakers@reichstein.org.au
Website: www.changemakers.org.au

Philanthropy Australia is the national non-profit peak body representing corporations, trusts, foundations and individuals who give to the community. While they do not make or distribute grants, Philanthropy Australia conduct various relevant workshops and events, while providing manuals, research reports, contacts, and general information relevant to the philanthropic sector.

Head office (Melbourne)	Phone: 03 9662 9299	Fax: 03 9662 2655
Sydney office	Phone: 02 9223 0155	Fax: 02 9223 0877
	Email:	info@philanthropy.org.au
		l.burton@philanthropy.org.au
	Website:	www.philanthropy.org.au

United Way is a world leading non-profit intermediary organisation that provides 'necessary expertise to bring together the programs and people who deliver powerful outcomes'. Working specifically in the fields of health education and income, their role is to link corporate partners with communities in need across Australia.

Head office (Sydney)	Phone : 02 9321 0300	Fax: 02 9321 0333
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Western Sydney Community Forum is the Western Sydney regional peak organisation which provides regional leadership, facilitates collaborative action and develops resources to enable community organisations to effectively address issues relating to social justice and social inclusion.

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APPENDIX THREE Findings of the survey ad interview research:

This information is of use to practitioners as it shows the types of organisations that are more successful in gaining corporate funding and the length of time partnerships last. A number of inequities were located through this data and results painted a similar picture to that previously found in studies on corporate-community involvement. For instance, research often points out that there exists a tendency for larger NGOs to win the lion’s share of corporate funding (Lyons & Zappalà 2008), which was generally supported through this study. The survey listed four size categories and participants were asked to self-select which of these best defined their own organisation. Generally speaking, those falling within the less than $100,000 category would consist of very small organisations, sometimes including one single full-time or part-time employee and operated predominantly by volunteers. Organisations with turnovers between $100,000 and $499,999 would represent small or ‘micro’ organisations. Those with turnovers between $500,000 and $999,999 would be considered ‘medium’, while a broad range encompassing $1,000,000 or higher are categorised as ‘large’ organisations for the purpose of this research. It should be noted that given the selectivity involved in this sample, these results are not representative of the third sector as a whole. Community organisations were predominantly selected from the Western Sydney region, and either *had experience* in partnering with the corporate sector, or *had expressed* the desire to form a partnership at some point in the future. However, we hypothesise that a similar (if not, more pronounced) trend would emerge if a random/representative sample were possible and utilised.

Table 1 Involvement in partnerships by size of community organisation by percentage

Size of community organisation (in stated annual turnover A$)	Number of organisations surveyed	History of involvement in partnerships with the corporate sector	Currently involved in partnerships with the corporate sector (2009)
Less than $100,000	12	33%	17%
100,000 – 499,999	63	40%	21%
500,000 – 999,999	19	53%	37%
More than 1,000,000	6	100%	83%

Table 1 above provides a snapshot of community organisations who had either once formed, or who had at the time been engaged in, a corporate partnership. These figures demonstrate that the likelihood of a community organisation engaging in a corporate partnership appears to increase dramatically as the yearly turnover of the organisation rises. Of those with a history of corporate funding, a similar pattern emerges concerning the duration of the relationship. Furthermore, Table 2 reveals that larger community organisations are more effective in garnering longer-term support.

Table 2 **Involvement in partnerships by period of funding**

Size of community organisation (in stated annual turnover A$)	Organisations previously involved in corporate partnerships	PERIOD OF FUNDING			
		1 year	2- 3 years	4-9 years	10 years and over
Less than $100,000	4	3	1	0	0
100,000 – 499,999	25	6	17	2	0
500,000 – 999,999	10	0	6	4	0
More than 1,000,000	6	0	0	3	3

Only 27 per cent of respondents who had been successful of garnering corporate support maintained it beyond a three year period. Of this group, the vast majority (83 percent) were within the mid-to-large size category. Although the above tables exhibit a trend whereby larger community organisations are able to achieve greater success in gaining and maintaining corporate support, there still remains a lack of understanding as to the reasons *why* this trend is occurring.

When interviewed, community organisation representatives were often unaware of the wide variety of corporate support available, beyond direct philanthropic donations and volunteering. In addition, small NGOs who had expressed interest in obtaining corporate support, usually looked toward the local business community for assistance, rather than seeking partnerships with established trusts or large corporate CSR units. These findings indicate, in part, a lack of knowledge of wider funding options and sources, instead of an unwillingness to engage with larger corporate bodies. However, during the search conference in 2010, one delegate expressed a preference for local business support due to the greater likelihood of success, quicker response rates, less “leg work” and increased chance of a longer term relationship being formed.

APPENDIX FOUR: Typology
The community-corporate relationship spectrum

Through analysis of desk-based literature and in-depth discussion with community organisations and corporations, it was clear that new understandings of cross-sector relationships are required. A typology of relationships will help in developing a profile of the organisations being targeted for corporate support and vice versa. For instance, interviews indicated that some community organisations preferred "less integrated" forms of partnerships, such as direct donations of cash and goods (with a considerable degree of separation between organisations), whereas others were keen to meet a partnered corporation as "equals". A small number of participants were engaged with multiple forms of relationships concurrently.

Furthermore, research found a tendency for organisations to either follow suit with a corporate donor – even if this disadvantaged the organisation structurally – or, in some cases, assert the terms through which an acceptable funder will engage with the community. We argue that future research in corporate community relationships should further examine the complex field of corporate philanthropy in Australia.

In response, we propose a revised typology that considers relationships through the form of a horizontal "spectrum", rather than a hierarchy or continua (Austin 2000). As shown in Table 3, this spectrum seeks to incorporate the criteria or "demands" of both organisations within the relationship. Explanations of the various components to relationships are outlined in Table 4, and an example of a "successful" integrative partnership is provided in Table 5.

Table 3: The community-corporate relationship spectrum

Uninvolved “de-coupled”		Philanthropic “Charity”				Transactional “Marketing”				Integrative/collaborative “Coupling”				Social Enterprise	
Org	Activity	Organisation		Activity		Organisation		Activity		Organisation		Activity		Org	Activity
		Comm Criteria	Corp criteria	Comm Criteria	Corp criteria	Comm Criteria	Corp criteria	Comm Criteria	Corp criteria	Comm Criteria	Corp criteria	Comm Criteria	Corp criteria		

The top row indicates the **type** of relationship. **Integrative relationships** are built on a model whereby both sides are involved in aspects of design, implementation and monitoring. These relationships blur the line between the "donor" and "recipient" of funding.

Table 4: Explanation of Integrative partnership section

Integrative "Coupling"			
Organisation		Activity	
NGO Criteria	Corporate Criteria	NGO Criteria	Corporate criteria

These columns represent the **criteria** or expectations each in the partnership have on the **activity level**.

Some questions include: What types of activities does the corporate funder prefer to support? Is the NGO comfortable with the funder suggesting changes to the types and forms activities being run? What level of interaction will take place between both organisations in the running of the community-based project? Are both organisation "on the same page" with regard to the aims and timeline of the specific activity?

These columns represent the **criteria** or expectations each in the partnership have on an **organisational level**.

Some questions include: Will the NGO be required to provide staff, time and resources to maintain the relationship without funding being allocated for this component? Will the corporation provide specific funding (or in-kind support) for the maintenance of the relationship? Will the NGO be okay with promoting the funder? Will the NGO consent to the corporation "marketing" the community organisation on their website?

Table 5: An example a successful “integrative” partnership

Integrative “Coupling”			
Organisation		Activity	
NGO Criteria	Corporate criteria	NGO Criteria	Corporate criteria
A small non-profit organisation with a focus on promoting educational opportunities among “at risk” children. Restructured as a “corporatised” organisation with a very strong grass-roots volunteer base. Management is proactive in acquiring corporate funding. Prefers a close relationship to corporate partner – volunteering programs and pro-bono activities reinforce cross-sector links. A key criterion - various key community stakeholders must also support potential partnerships.	Happy with close relationship and requires only basic financial reporting (via annual reports). DGR status is required. Relationship is developed though networking. Business is open to inclusion of wider stakeholders in the partnership. Willing to assist with further in-kind administrational support (pro-bono legal assistance, paid volunteer program, use of office resources, facilitates the development of further corporate partnerships). Is happy with a long-term “open-ended” partnership.	Programs require approval from their community affiliates prior to commencement. Ensures that the activity “tells a story” – usually through case studies and other anecdotal narratives. Presents very basic quantifiable measures on activities, which is supplemented with research findings of similar programs overseas. The activity involves the corporate partner through a “buddies” program – thus little need for highly onerous performance measurement. Expects to keep in direct contact with partner(s) throughout the entire duration of the program.	Expects basic reporting on outcomes Promotes the activity and reported outcomes on corporate website under its “Partnerships” link. The activity involves staff – leading to improved staff productivity and retention. An active member in steering the current and future direction of the activity.

Alignment of values

During in-depth interviews corporate respondents pointed to “alignment of values” as a core component to successful partnerships. However, this research indicates that such alignment (which often forms a top down adherence to the CSR strategy of the donor or an organisation sufficiently corporatized in structure) centres on relationships usually categorised as “transactional” in nature. Research indicates that a common ground must also be sought when relationships are centred on “value alignment” as smaller community organisations are often ill-equipped to negotiate the relationship criteria and accountability processes. As such, a *transfer* of values emerges whereby a non-profit organisation would seek to appeal to the existing criteria of the prospective funder. Interviews from both sectors indicate that “lose-lose” situations often emerge as a result of community organisations adapt a project to external pressures in a way that contradicts their core focus or mission (see table 6).

Table 6: An example of a negative "transactional" relationship

Transactional "Marketing"			
Organisation		Activity	
NGO Criteria	Corp criteria	NGO Criteria	Corp criteria
The community development organisation is committed to running its activities at the grass-roots level – prefers to conduct its activities from within a "strengths based" approach. Very focused on survival – new finances are needed to assist in an already overstretched budget Has little knowledge of what a prospective corporate funder expects.	Value for money – grant framed as a "social investment" (small scale "seed" grant). DGR Status is required. Does not allocate finances to administration of organisation Expects the non-profit organisation to donate its own time/staff in completing accountability processes. Partnerships are only available on a short-term 6-12 month basis.	Obtains funding for an activity that sits peripheral to its core vision (in adherence to set corporate funding criteria). Activity needs to be largely developed from scratch - ultimately causing further drain on resources. Finds difficulty in measuring expected outcomes based on "need". Has little experience with quantitative measurement.	Expects that the objectives of the activity adhere to their "philanthropy strategy". Quantifiable measurement on outcomes is expected. Views activity through redressing a specific "need". Proof of success enables positive advertising and provides marketing benefits.

Weblinks

- Australian Tax Office information for non-profits
  www.ato.gov.au/nonprofit

- Change Makers Australia
  www.changemakers.org.au

- London School of Economics on Social Return on Investment (SROI)
  http://sroi.london.edu/Measuring-Social-Impact.pdf

- Local Community Services Association (LCSA)
  www.lcsa.org.au

- NSW Council of Social Services
  www.ncoss.org.au

- Our Community
  www.OurCommunity.org.au

- Philanthropy Australia
  www.philanthropyaustralia.org.au

- Philanthropy Australia directory of major grant makers
  http://philanthropyaustralia.org.au/publications/purchase.html

- Philanthropy Australia information on monitoring, evaluation and reporting:
  http://philanthropywiki.org.au/upload/7/73/Reporting%2C_Monitoring_and_Evaluating_Corporate-Community_Projects.pdf

- United Way Australia
  www.unitedway.com.au

- Western Sydney Community Forum
  www.wscf.org.au

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