

# THE EFFECTIVE EXIT

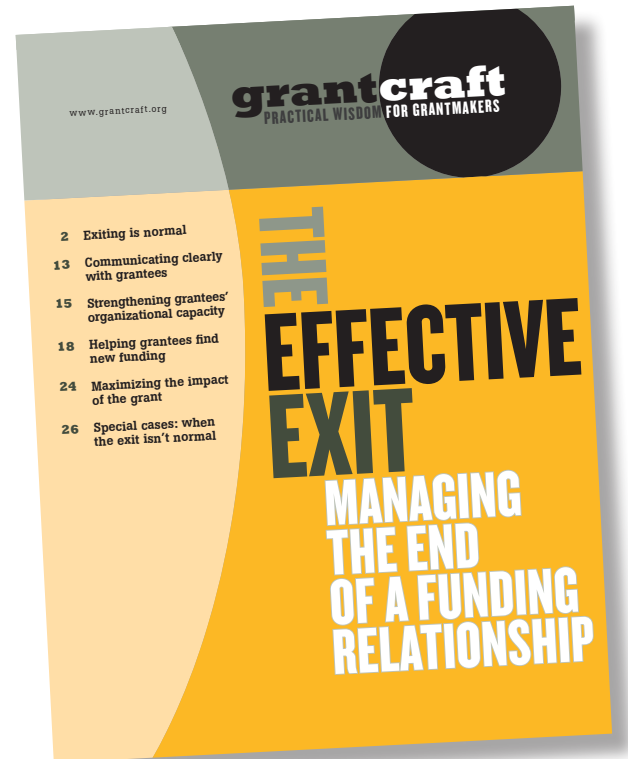
Can ending a funding relationship ever lead to a good goodbye?

## IN THIS GUIDE

Effective exits are more likely to happen when grant makers discuss exiting and its implications from the start. Guide contributors share how they plan exits, clarify expectations regularly, and work with grantees to attract new funders. Experienced exiters also offer words of advice on working through (not avoiding) the tensions that so often arise as the end approaches.

## HIGHLIGHTS

- Learning from spend-down foundations
- Exit strategies used by four grant makers
- Breaking the ice with new funders



“Having an exit plan that can be named, even if it isn’t precise, opens up space for strategic thinking inside the foundation, with grantees, and with your trustees.”

—A grant maker on the value of thinking about exits in advance

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# A sample from the guide:

## **Healthy Nonprofit Checklist**

### **NEW YORK FOUNDATION**

Program staff use this list to guide conversations with grantees — especially new nonprofits — about their organizational growth and development as the foundation's exit approaches.

#### **GOVERNANCE**

- The board of directors meets regularly, has a plan for recruitment of new members, has expanded from the original founding board, and has brought in a range of expertise
- The board of directors participates in setting the direction of the organization and evaluating its progress
- The board of directors holds the director accountable for his/her performance

#### **PROGRAM**

- Staff have a clear sense of what they want to accomplish and a method for collecting data that chart progress
- The program has evolved and adapted to changes in the environment
- A flexible program design ensures work remains relevant and effective
- The organization has developed partnerships with similar or related programs

#### **STAFFING**

- The staff can realistically manage the work that needs to be done in a reasonable timeframe
- The organization is able to recruit and maintain staff
- Internal procedures are in place to manage work flow and evaluate staff

#### **RACIAL AND GENDER EQUITY**

- Commitments to racial and gender equity are reflected in the organization's leadership, staffing, and activities
- The organization monitors the diversity of its board and staff and takes appropriate steps to increase it

#### **FUNDING/RESOURCES**

- Our grant represents a decreasing percentage of the overall budget over time
- Funding has expanded to a variety of sources
- The organization has a long-term fundraising plan
- The board understands the organization's resource needs and is engaged in fundraising

#### **MANAGEMENT SYSTEMS**

- The budget is developed and reviewed by staff and board
- Staff and board review financial reports
- The organization has internal financial controls for check writing, deposits, reconciliations, etc.

#### **EXTERNAL COMMUNICATIONS**

- The organization's mission and message are clearly articulated
- The organization's website, brochures, newsletters, and reports are accurate, effective, and up to date
- The organization has increased its credibility and distinction in multiple arenas