



Beyond the Grant: Providing Equitable Compensation to Community Experts

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5/9/22

The [Leap Ambassadors](#) listserv was quite active recently in response to this question: “If a foundation convenes key stakeholders, including grantees, to inform a project like its strategic plan, should it compensate interviewees for their time and knowledge?” Many people replied with a resounding “Yes!” and provided examples, as described in the Leap article, “[In Practice: How Foundations Can Compensate Stakeholders for Their Time.](#)” I admit I was slow to respond to the Leap Ambassadors listserv post, and so missed the opportunity to describe how we at Fund for Shared Insight approach this issue. In fact, it is something we’ve put a lot of time and thought into, and our practices have evolved based on outside feedback and our own reflections on our responsibilities as funders and our values around acting equitably and generously. We are sharing our experiences now in hopes that this can be another helpful resource in the field.

[Fund for Shared Insight](#), the national funder collaborative I have the privilege of leading, is working to improve philanthropy by promoting and supporting ways for foundations and nonprofits to listen and respond to the people and communities most harmed by the systems and structures we’re seeking to change in our work. We believe that those who are most impacted by our decisions, but often least consulted, can offer unique and valuable insight into how to bring about lasting, meaningful change that improves people’s lives in ways they define for themselves. We also believe in the inherent value of community expertise and that those experts should be compensated for their contributions just as philanthropy compensates investment advisors, evaluators, website developers, and many others with specialized expertise.

To honor the time and expertise people and organizations contribute to our work, and to move towards greater equity in how we operate, we have committed to compensating individuals and nonprofits for their efforts. We recognize there is some discomfort in the sector around this practice among those who believe it contributes to what can already feel like a too-transactional relationship between funders and grantees and reinforces the persistent asymmetry of power and resources. It’s also important to note that this kind of commitment does come with a price tag, and there will likely be tensions among funders regarding their ability or willingness to grow their budgets or decrease grant dollars to accommodate these practices.

These are all real concerns that need to be called out as we wrestle with ideas around compensation within the broader culture of philanthropy and system of resourcing nonprofits.

We appreciate Leap Ambassadors for starting this conversation more publicly and agree with the stated position in the article that paying grantees for their time should be an industry standard. We concur with Tim Delaney, president and CEO of the National Council of Nonprofits, who is quoted in the Leap Ambassador piece saying: “As a matter of equity, compensate nonprofits for their time and expertise consumed by the foundation; don’t just ‘honor’ them with token honoraria.”

The following are examples of ways we are trying to go beyond token honoraria. We encourage funders to consider their underlying values and goals in incorporating compensation practices in their own work.

- **Nonprofits we visit**

Through [Listen4Good](#), our signature capacity-building initiative that helps direct-service organizations listen and respond to the people and communities at the heart of their work, we regularly bring funders to visit one of the more than 625 organizations that have participated to date. Early on in 2015, we gave organizations \$500 honoraria in recognition of their time to prepare for and host us. More recently, we have increased this honorarium to \$1,000. We’ve heard positive feedback from nonprofits we visit, many saying they have never had a funder compensate them for hosting a site visit.

- **Individuals we invite to speak at funder events**

At these same Listen4Good site visits, we typically arrange with the organizations to have program participants who have given feedback through Listen4Good speak about their experience. We usually give each speaker Visa gift cards or gift certificates worth \$50 or \$100, but we do so only in close consultation with the organization. We have learned there may be special circumstances — when the speakers are youths or are returning citizens, for example — for how much and what type of compensation is allowed and appropriate and useful. And some nonprofits prefer we give them the funds to distribute, rather than us providing the compensation directly.

We also often invite individuals from nonprofits to speak at our funder events and local nonprofit and philanthropy conference sessions. In these cases, we provide \$300 honoraria for individuals and cover all their travel and accommodation expenses with a per diem for food.

- **Nonprofits we feature in publications, videos, or evaluation reports**

We have featured more than 50 nonprofits in our [feedback stories](#) and [videos](#). Initially, we did not compensate at all for the written pieces and gave only modest honoraria for the videos. However, once we started to write about and feature nonprofits who are not grantees, we recognized that we should be compensating all the nonprofits for their work with us, which often includes staff interviews and spending staff time gathering information and materials for our stories and productions. We were especially sensitive to the time nonprofits were spending

with us during the early months of COVID, when so many organizations were particularly stretched thin. We now regularly give \$1,500 to each organization featured in a feedback story. For a recent video we made with the Center for Employment Opportunities, called "[This is My Story](#)," we gave \$6,000 to cover staff time and to compensate the three featured clients for their transportation costs and wages from missing work.

In 2021 we asked our evaluation partner, ORS Impact, to conduct focus groups and interviews with six Listen4Good nonprofits about how their high-quality feedback practices have furthered their equity work. This was above and beyond the evaluation participation outlined in our grant agreements, so we provided each nonprofit with \$5,000 to participate in this evaluation and the resulting report: "[Feedback and Equity: Connecting the Dots](#)."

- **Nonprofits we ask to apply for grants**

In our most recent grantmaking initiatives, we invited organizations to submit a letter of inquiry (LOI) and then asked a smaller number to submit full applications. To recognize the efforts involved in applying, we provided invited organizations with honoraria. In the case of our [Funder Listening Community of Practice](#), this meant providing \$1,000 honoraria to eight organizations that submitted LOIs and were not invited to submit full applications; and \$2,500 honoraria to three organizations that submitted full applications but were not selected for a final grant.

For our [participatory grantmaking initiative in climate justice](#), through a nomination process we invited 38 groups to be considered by the participatory grantmaking group for one-year grants from a \$2-million one-time fund. We offered each group a minimum \$10,000 grant to participate in the process, and [35 groups](#) took up our offer to be considered for a larger grant.

- **Individuals and groups we engaged in our participatory grantmaking initiative**

Along with these grants to groups identified through our participatory grantmaking initiative, we also offered compensation to a variety of individuals and groups throughout the participatory process. In our planning phase, we offered honorarium to a few dozen individuals and organizations (those that were not themselves funders). They each received \$100 for a phone call and \$500 if they served as a "partner selector" to choose a Design Team member. In both the design and grantmaking phases that came next, we provided honorarium to Design Team and Grantmaking Group members – a minimum of \$3,500 to participate in a 10-week process and up to a total of \$5,000 each – depending on their roles and additional time commitments. After the grantmaking phase, we offered \$1,500 to Grantmaking Group members to join the "Learning Community."

In addition to these payments, we proactively invited participants to let us know what they needed to participate fully. In several cases, for example, we provided reimbursement for mileage (filling out the mileage reimbursement forms for them to make it easy) for those who needed to travel to access the internet for our meetings. We also offered an individual who had

been using an employee-issued computer to participate in our initiative with the financial resources to purchase a new laptop after leaving their job.

Our recent experiences with the participatory grantmaking initiative and paying people for engaging with us in other ways, have heightened our awareness around the opportunities and challenges of compensation. We now know, for example, we must be mindful of the transaction costs involved with providing relatively small sums of money. In some cases, individuals have turned down our offer of \$1,500 because there were too many forms and steps involved with receiving the gift. We are working with our sponsored project organization to create a more equitable and accessible payment process. We are also being careful to alert recipients of our honoraria that the payments are counted as taxable income and should be reported as such on their tax returns.

We are taking these kinds of learnings and continuing to try to improve our practices. We are considering the going rates for consultants, asking our nonprofit partners what seems fair, and soliciting — and acting on — feedback about the best ways to handle the surprisingly many aspects of compensation. Just writing this post and circulating it among our team for comment surfaced additional ideas and questions. Practical ones, like: If an applicant honorarium of \$1,500 represents an acknowledgment of the time and effort invested in preparing an application, shouldn't every applicant receive it, not just those not selected for funding? And bigger-picture ones, like: How do we ensure our practices are non-extractive and offer meaning and value to our relationships beyond the financial transactions?

We are happy to be a part of these conversations and the growing momentum toward better practices in the field. We thank the Leap Ambassadors community for introducing the issue and look forward to exploring it further in a forthcoming piece as we seek to live out a commitment to equity by compensating people fairly and generously for their time and lived expertise.