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**To: PNY Board of Directors**

**From: Kathryn O’Neal-Dunham**

**Re: Quarter 1 Operational Report**

**Date: April 30, 2021**

*I want to start this report with a note of gratitude to this board. As I pass the three month mark of my new tenure as CEO, I am reflecting on the ways that each of you has showed up to support me in this transition. I can’t tell you how deeply I have appreciated your thought partnership on our Committee work, your smiling faces at CEO and COO Roundtables and your willingness to join us at Foundations on the Hill. You have provided a community of leadership and ensured that I’ve never felt alone in this role. Thank you.*

*The Transition Committee has asked me to think about the opportunities to reimagine some of the “we’ve always done it this way” parts of our culture and operations. It’s a small thing, but this report is something we would like to reimagine. The team at PNY takes a lot of pride and joy in our work, and we enjoy sharing it. In the interest of you reading it, we are endeavoring to produce the report quarterly and to keep the information shorter and more focused on the highlights you need to serve as an ambassador, strategic advisor and fiduciary of PNY. We will continue to iterate on this throughout the year, and we hope you will give us feedback around what you find most useful and relevant to your service on this Board.*

**Finances (detailed financials are available in the** [**board portal**](https://philanthropynewyork.org/board-materials)**)**

Philanthropy New York’s first quarter 2021 actuals present a strong financial position. Revenues are in line with expectations, and spending is just under budget. Total Revenue is $2.3M –17% higher than revenues during the same period last year, mainly due to poor investment performance in early 2020 compared to tremendous performance in early 2021. Our expenses are 9% lower than the expenses during the same period of 2020, due to savings in Meetings and Facilitation as well as Travel and Conference costs. It’s difficult to remember, but we were all in person from January 1 – March 9 of 2020, and we did incur costs in that quarter from in person learning and travel to DC.

We currently have $8.1M in net assets with $2.8M, or 9 months of operating cash on hand. From March 2020 to March 2021 PNY has withdrawn $200K from the bonds that matured in our FF2025 laddered portfolio to cover the FF2025 operation expenses.

We successfully finished our 2020 audit (remotely!) with no adjustments and no management letter. The audit report was approved by the Board on March 3rd. We have also finalized our 990 for submission to the IRS, and the Audit Committee will review it on May 5th.

Philanthropy New York created an Audit Subcommittee to support an audit RPF process in 2021. The Subcommittee met on April 28th to review and offer feedback on the first draft of the RFP.

**HR and Administration**

***Evaluations:*** In March, staff participated in the annual evaluation cycle. We announced three staff promotions reflecting the growth and development of our team and an expansion of our leadership: Yi-Ching Lin was promoted to Vice President of Learning, Hajrina Shehu was promoted to Chief Financial Officer, and Nora Cusanelli was promoted to Communications Manager.

***Onboarding:*** In the first quarter, we on boarded one new employee, **Jelena Kostadinovic,** our part-time Learning Services Associate. Jelena is joining us following previous positions at World Education Services NY, and after a number of years of professional experience in nonprofit organizations in Serbia.

***Offboarding:*** We said farewell to three employees in the first quarter – including both of our Fellows who found new jobs early (in a pandemic, no less). While we are thrilled to see them take the next step in their professional journey, it is always a bittersweet moment to say goodbye to folks who have become such an important part of our working groups, policy efforts and staff culture.

* Shamira Lukomwa was offered a position with member ELMA Philanthropies at the end of 2020 and departed just before the new year. She is now a Program Associate in the Disaster Philanthropy team.
* Kimberly Roberts’ last day was April 23rd. She joins Association of Black Foundation Executives (ABFE) as the Manager of Networking and Partnership next week. In this newly created role, she will draw on her experiences as a PNY Fellow to build and engage a national membership.
* Allyson Goldhagen, our Director of Member Engagement, gave notice that she would be leaving after 7 years at PNY to pursue a new role as Director of Operations at Collateral Opportunities, a healthcare software startup, a role that aligns well with the MBA program she has been pursuing. Her last day was February 18th.

This brings the total number of staff openings to five positions. We have adjusted the 2021 budget and are actively bringing on consultants to support the management of the work.

***Recruitment: We are hiring!*** We are currently conducting interviews for our two open Fellowship positions with a goal of making those hires by mid-May. The [Director of Member Engagement job description](https://philanthropynewyork.org/jobs/director-member-engagement) has been widely posted, and we hope to begin interviewing candidates in mid-May. ***Please share the description with your networks!*** We will post a job description for a Director or VP of Communications by mid-May with the goal of hiring in late Summer.

**Membership**

***2021 New Members*:** We have welcomed 9 new members since the beginning of the year. Centerbridge Foundation, Astrea Lesbian Foundation for Justice, and EMPower rejoined. Brand new to PNY are The David Tepper Charitable Foundation (living donor foundation staffing up, program director joined ESS), The American-Scandinavian Foundation (learned of PNY through NYGIA, tapped staff for strategic planning consultant referrals), Restaurant Workers’ Community Foundation (former PNY staff member Michael Remaley is co-founder), and three foundations referred by PNY members: Actions@EBMF (family foundation engaged in NYC Youth and Ed Funders), W. Clement & Jessie V. Stone Foundation (Chicago-based family foundation connected to Leadership Transitions Funders Group) and UNFCU (public foundation of UN credit union; new director was former PNY member through Citi).

If you are familiar with or know colleagues at these new member organizations, please reach out and welcome them to the PNY community.

***2021 Dropped Memberships***: 7 members have dropped since the start of the year. The expected cancellations were Atlantic Philanthropy (finally closed its doors), Grace Farms Foundation (operating foundation with minimal grantmaking), Lostand Foundation (single staff member left), and Harold C. Smith Foundation (single staff, seeking more consulting support than peer community). The unexpected drops were Propel Capital (focusing mostly on impact investing and campaign contributions through the LLC), Barker Welfare (longtime member, though very limited engagement in last 5 years), and Issroff Family Foundation (new member, runs own funder network and did not come to many PNY programs).

**Programming Updates**

Philanthropy New York offered **76** virtual meetings/programs in Q1 of 2021. We continue to work to reframe programming in an online format that allows for both community-building and learning. A few highlights from the first quarter:

* [Essential Skills and Strategies for New Program Officers](https://philanthropynewyork.org/essential-skills-and-strategies-new-program-officers) – On February 19th, we launched a new cohort of ESS virtually, completely reimagining what was traditionally 3.5 days of in-person work into a 13-part (two-hour sessions each) series. The program provides new program officers and directors with a framework for understanding and implementing ethical and effective grantmaking.
* [Learning Exchange and Discussions](https://philanthropynewyork.org/learning-exchange-and-discussions-partnership-race-and-equity-philanthropy-group) – On January 26th, we hosted the second of the three-part specialized peer network, in partnership with Race and Equity in Philanthropy Group (REPG). This network, comprised of members who are champions for equity within their foundations, focuses on the key levers they can use to “push” and “pull” from their organizational seat. The network is a great example of the ways Philanthropy New York can provide members with an “inside/outside” strategy for leading difficult work.
* [Philanthropy New York’s 42nd Annual Meeting – Looking Back, Moving Forward: A Time of Reckoning](https://philanthropynewyork.org/event-calendar/philanthropy-new-york-s-42nd-annual-meeting-looking-back-moving-forward-time) – Since January, we have been developing our half-day virtual conference on the theme of reckoning with our past in order to take action for more racially equitable outcomes. We will host our legally required Annual Business Meeting as a Pre-Conference session on June 2nd. Our Annual Meeting Program will take place in a longer conference session on June 3rd. Though the meeting will not take place until Q2, the thoughtful preparation, conversations and development of communications for our membership started in January and continues as I type!
* Philanthropy Fundamentals Online (E-Learning) Progress - In February, we launched the full pilot phase of ***Philanthropy Fundamentals Online*** with our seven institutional partners. We have received excellent feedback from the pilot launch group and have been charting use of the system across the seven foundations. We are already fielding questions about when the curriculum and platform will be available to the full PNY membership, as well as our sister regional associations. We are of assessing the likelihood of membership uptake and doing a landscape analysis of similar offerings for the sector in order to propose a pricing structure that would align with our core values and dues philosophy.

**Network/Working Group Updates**

We hosted over 25 meetings in the first quarter of our working groups and our peer networks. Below is a highlight of some of the topics our Issue-based networks are addressing.

* *The NYC Youth and Education Funders (NYCYEF) Working Group* has continued exploring how philanthropy can respond to the domino impact of COVID-19 on students and their families. In addition to examining student learning loss, PNY programming has also explored how the pandemic has exacerbated related systemic gaps in food insecurity, digital inequity, and workforce development.
* *The Health Working Group* is continuing to convene regularly to discuss philanthropic responses to COVID-19. The group has transitioned its focus from supporting COVID-19 prevention, testing, and treatment to strengthening the City’s vaccination efforts, particularly in communities of color.
* *The Justice Reform Working Group* has continued to meet regularly during Q1. The working group is deeply invested in the Close Rikers campaign and held a program to hear ideas of possible reuse options for the land once the detention center is closed.
* *International Grantmakers Network* hosted [Navigating Uncertain Terrain - Updates From The Global Philanthropy Tracker](https://philanthropynewyork.org/event-calendar/navigating-uncertain-terrain-updates-global-philanthropy-tracker).
* *New York Environmental Funders Network* continue to meet every other month to explore critical topics around climate change. Recently, they hosted a conversation around natural climate solutions and agricultural and land use practices.
* *Peer Networks:* PNY’s CEO and COO networks are meeting frequently. Discussions have ranged from decision making around office returns to strategies for working with boards to navigating board and staff distance in commitment to racial equity work. In addition, FAN and FFMG have hosted important topical programs around navigating wellness as the pandemic stretches on and understanding new employment, tax, and liability laws in a rapidly evolving COVID environment.

*An important note: we have made conscious choices around staffing our peer networks, including shifting networks to staff who are taking on new leadership responsibilities. Given the number of unfilled positions at this moment, several networks have not met recently. This includes our Lawyers Network and the Philanthropic Assistants and Coordinators Network. We are actively assessing our capacity to ensure that these networks have staff support and are able to reconvene in the second half of 2021.*

**Committee Updates**

***Committee for Equitable & Inclusive Philanthropy (CEIP):*** CEIP has focused on identifying and generating ideas around the resources needed to support members’ commitment and accountability to a racial equity practice. The Committee is also reviewing the diverse roles it has fulfilled and has begun thinking about what role the group should play moving forward at Philanthropy New York. The group is working to define both a structure and criteria for inviting members to join the group.

***Governance and Nominating Committee:*** The Governance and Nominating Committee presented four new candidates and four second term candidates at the March board meeting. In addition, the committee would like to begin a discussion at our June meeting around how a focus on equity could give new shape to the identities and skills we wish to attract to the Board in the future.

***Audit/Finance Committee:*** The Audit Committee has formed a subcommittee to conduct a new Audit RFP process (see above).

***Strategic Direction Committee:*** The committee has been formed, and consultants Cardozie Jones and Manami Kano retained. The committee’s first meeting took place on April 22nd, and they look forward to a conversation with the full board at the retreat in June.

***Committee on Members***: The Committee is meeting in late May and will focus on setting the stage with members for the strategic direction work.

***Public Policy Committee:*** In addition to approving the 2021 Public Policy Priorities and the Seat at the Table policy position, the committee has met regularly to track ongoing federal developments and discuss the potential for PNY and/or members to play a role in the NYC Mayoral transition.

**Communications Updates**

***CEO Message***: I shared my [first message as CEO](https://philanthropynewyork.org/news/letter-kathryn-oneal-dunham) with the PNY community in March. The goal was to introduce me to members who don’t already know me, begin to establish a rapport with the member community and articulate the commitments I hold as I step into this role. This was a TEAM effort to be sure! Special thanks to Kristen who worked through multiple drafts and to everyone (staff and board) that served as readers and provided feedback.

***Engagement Strategies through Communication:*** As part of our consulting engagement with Asibey Communications, we are in the early stages of building a presence on LinkedIn. The goal is to meet our member community where they are and reach members who pay less attention to PNY’s email communications but are active in sector conversations online. We are also experimenting with segmented email communications around the annual meeting to speak to different audiences within our member community (i.e., highly active, less active, and new staff/members).

**Policy Updates**

***Foundations on the Hill:*** Congratulations to Marlon for successfully producing Philanthropy New York’s first virtual Foundations on the Hill visit. We met with legislative staff from the following offices:

* Senator Charles Schumer
* Representative Espaillat
* Representative Ocasio-Cortez
* Representative Clarke
* Representative Torres
* Representative Nadler
* Representative Velasquez
* Representative Bowman
* Representative Jones

The following elected officials joined us in person:

* Representative Meng
* Representative Jeffries
* Senator Gillibrand

Members shared the ways that philanthropy has responded to the COVID-19 crisis and positioned themselves as thought partners, advisors and key infrastructure builders for the nonprofit sector. The visits were a terrific opportunity to connect more deeply with PNY members around policy issues they care about.

*Attached below, please find a list of members who were engaged in visits. If you have an opportunity to connect with any of these peers for reflections on the experience, please provide us with feedback.*

**CEO Transition Updates**

In the first three months of my tenure, I have endeavored to get to know segments of our membership that I have had less interaction with in the last seven years. I have also prioritized relationship building across our sector. I’ve attended all of our five CEO Roundtables and have met with a number of member CEO’s (both longtime supporters and newer colleagues that I hope to get to know better). I am also attending monthly United Philanthropy Forum CEO calls in an effort to build relationships with PNY peers.

*Attached you will find a list of visits I’ve conducted from January to early April – please feel free to follow up with colleagues and friends to ensure that we are getting good feedback on the transition.*

Well, we tried to make it shorter! I hope that it gave you a sense of the tremendous work that this Philanthropy New York team has been doing in the past quarter and provided the information you need to continue to serve as an ambassador to the rest of our community. If you have any questions, please don’t hesitate to reach out!

**Attachment: Member Engagement**

**Member and Partner Visits in early 2021**

* Ana Marie Argilagos, Hispanics in Philanthropy
* Hilary Ayala, Con Edison
* David Blumenthal & Kathleen Regan, The Commonwealth Fund
* Richard Burns, The Johnson Family Foundation
* Jennifer Ching, North Star Fund
* Stephanie Cuskley, The Leona M. and Harry B. Helmsley Charitable Trust
* Tanuja Dehne, Geraldine R. Dodge Foundation
* Patricia Eng, Asian-American Pacific Islanders in Philanthropy
* Adam Falk, Alfred P. Sloan Foundation
* Adam Gamoran, William T. Grant Foundation
* Tiffany Gueye, Blue Meridian Partners, Inc.
* Anisa Kamadoli Costa, Tiffany & Co. Foundation
* Martha King, Charles Revson Foundation
* Phil Li, The Robert Sterling Clark Foundation
* Amoretta Morris, Borealis Philanthropy
* Mike Pratt, Scherman Foundation
* Stephanie Raneri, Isaac H. Tuttle Fund
* Andrea Reynolds, The Dyson Foundation
* Joan Steinberg & KC Wong, Morgan Stanley
* Mariko Silver, The Henry Luce Foundation
* Lorie Slutsky, The New York Community Trust
* Florencia Spangaro, The Citi Foundation
* Nick Tedesco, National Center for Family Philanthropy
* Deborah Velazquez, Altman Foundation
* Darren Walker, Ford Foundation
* Sheena Wright, United Way of NYC

**Members involved in *Foundations on the Hill* visits**

* Deb Velazquez, Altman Foundation
* Jennifer Ching, North Star Fund
* Irfan Hassan, NYCT
* Laura Rossi, Westchester Community Foundation
* Neill Coleman, Trinity Church Wall Street
* Kenneth Austin, Wallace Foundation
* Kyung Yoon, Korean American Community Foundation
* Arturo Garcia-Costas, NYCT
* Elizabeth Angeles, United Way NYC
* Pat Swann, NYCT
* Doug Bauer, The Clark Foundation
* Laura Aden Packer, The Howard Gilman Foundation
* Kerry McCarthy, NYCT
* Eve Stotland, NYCT