



IS TECHNOLOGY OVERHEAD OR CRITICAL INFRASTRUCTURE?

FUNDER AND NONPROFIT CASE STUDIES



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About this Project

As societies work to rebuild, we see a rise in infrastructure investment. However, one type of infrastructure investment is often left behind: **digital infrastructure**.

According to a recent [TechSoup study](#), just 52 percent of nonprofits have the resources they need to act on their digital strategy. Contrast this with 83 percent of grantmakers who report having the resources they need, and it's easy to see that nonprofits are being left behind.

In the social sector, this investment is a critical part of service delivery in the digital era—and yet, it's often overlooked in favor of program investment. When technology does receive funding, it's often innovative mobile apps rather than core system stabilization, maturation, and integration. This lack of basic digital infrastructure investment widens the gap between large well-funded nonprofits and small organizations often devoted to underserved communities.

Changing this dynamic requires effort both from funders and from nonprofits. Tech Impact and the Technology Association of Grantmakers have created a series of resources—including these case studies—to guide you in this work. Investing in digital infrastructure means a commitment to building digital skills, capacity, and new platforms to unlock the knowledge, passion, and collective strength of civil society over time as the relationship between technology and society continues to evolve. As society pauses to rally public sector investment in infrastructure after the pandemic, we invite the social sector to do the same.

Learn more or download all of the free resources at offers.techimpact.org/reports/overhead.

A foundation's work to align, fund, and advance its own technology, enabled it to launch new ways of supporting grantees' digital literacy and systems, helping them bridge the digital divide. Efforts began informally at first, but the Foundation later added a structured technology program that continues to evolve.

EWING MARION KAUFFMAN FOUNDATION

\$2.6 Million Endowment

The COVID-19 pandemic stressed many aspects of society, but it also shed light on technology's value by highlighting stark needs within communities. The Kauffman Foundation saw these needs made clear in the communities it served. Thanks to an investment in cloud systems pre-pandemic that made the Kauffman Foundation's own transition to remote work relatively smooth, it was able to offer more resources to nonprofit grantees to help them address the sudden challenges.

This approach marked something of a change. Historically, the Kauffman Foundation had typically responded to grantee technology requests with a referral to partners and possibly a small amount of additional funding. Over time, Director of Technology Donell Hammond began to hear a growing call from program staff for greater technology awareness and intervention within the grants they supported. This prompted Hammond's team to act externally as well.

They began by increasing support for technology within existing grants, relying on word-of-mouth referrals—"engagement without dollars," Hammond called it. The first phase of this informal technology support was two-fold. First, they provided device and software donations via vendors or partners—for example, donating lightly-used internal computers as an in-kind donation to communities via a partner organization called PCs for People. Second, the Kauffman Foundation team shared knowledge with grantees to promote digital literacy in technology operations, security, Constituent Relationship Management (CRM) systems, and other useful skills.

While these technology engagements required considerable extra effort, Hammond said they served the foundation's larger mission of removing barriers—in this case, technology gaps—to education and entrepreneurship.

About the Kauffman Foundation

The Ewing Marion Kauffman Foundation focuses on reducing barriers in entrepreneurship and education.

Within education, it supports K-12 schools and afterschool programs, school staff retention, training and development for BIPOC, real-world learning such as student internships and project-based work at companies, and more.

A "Playbook" for Common Requests

The team saw recurring trends in the technology requests. Back office operations support was common. "For instance, if I'm trying to start my baking company," Hammond said, "I may not have a whole lot of experience in regards to website design, registering for a domain, making sure my site's secure, or filing for a patent. So that's when they would reach back out to their program officer."

Connectivity was another prevalent request. One grantee had researched connectivity in so-called "opportunity zones" and found that a majority of families in these zones lack home WiFi and use mobile phones for an internet connection. This created special problems for students during the pandemic. The technology team worked to get children and entrepreneurs mobile devices and internet hotspots they could use to connect.

Because Hammond's team itself was small and had limited capacity, team members decided to write basic "playbooks" on core themes to facilitate the work: setting up technology for your business, connectivity, and cybersecurity. These playbooks were intentionally designed to be "living," non-proprietary documents meant to be shared and iterated..

"[A playbook] provides a little bit of guidance based on our learned experience that we can share out to the community," Hammond said. "I also see it more as an ongoing livable, breathable document. It's not just a value-add from us as a foundation, but it's from other partner and grantee organizations too. So a shared space for people to provide their ideas or experiences, lessons learned, wins, successes."

Word spread quickly among partner organizations, grantees, and internal associates working with constituents about the technology help Kauffman Foundation was providing. Hammond and his team documented these engagements carefully, ultimately creating an impact report he delivered to the foundation's Board of Directors. PCs for People

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also outlined how Kauffman Foundation's 80 donated devices improved educational scores and financial and digital literacy for low-income families.

"When I presented the report to the board," Hammond said, "they absolutely loved it."

Formalizing a Technology Program

Much of this work began before the pandemic. Fortunately, the three-year effort described above served as a proof of concept for a more formal Technology Program at the Kauffman Foundation, launched in 2020 at the height of COVID-19's impact. Based on insights from the "engagement without dollars" effort, the Kauffman Foundation decided to focus the new program on three areas: digital literacy, hardware and software, and software systems. The program continues now; an exploration in progress. Hammond and his team continually research and listen to community needs to understand how best to align efforts, whether that means providing direct technology support or investing in a third-party positioned to help.

In September 2021, Kauffman partnered with the organization KC Civic to provide technology support to an afterschool program that has low connectivity in its facility. The partnership adds a technology line item to a current agreement with Kauffman Foundation's

civic assets team, giving \$25,000 toward technology items. This investment helps bridge the gap of connectivity for students and staff, enables resources for digital equipment, and provides digital literacy with tie-ins to math and reading. Although this support is not a physical grant coming from Kauffman, the foundation does have grants planned for 2022. For now it is leveraging partnerships internally and providing funding through them.

Funding directly to grantees via Technology Program is initially forecast at \$250,000, but Hammond predicts that amount will double. The long-term goal is for this number to reach 50 percent of the foundation's overall expenditures tied to the Technology Program. The technology budget for Kauffman overall increased from \$3.6 million to about \$7.8 million over two years, supporting both technology administration and technology programs. The technology administration side does not count toward the required 5 percent of giving annually, though it does provide back office support. Over time, the foundation has shifted 80 percent of its technology budget to impact program teams and the communities they serve.

Hammond foresees the foundation's highest impact will come from adding technology support to existing agreements in the form of both direct support from Kauffman as well as technology partners who might also bring digital literacy or education on connectivity to communities.

Based on prior engagements, Hammond said, "we've learned that we don't want to imitate something that's already been created."

Learning from their Experience

Hammond's tip for other foundation staff considering a similar tech initiative is to be willing to paint a picture of its value and be patient in developing buy-in. Leadership support for the Kauffman technology initiative didn't happen right away. Storytelling has been powerful for him—"John, who goes to this school, did not have a computer, nor did he have internet at home," for example—and he also found an early advocate in the foundation's Chief Financial Officer, his direct supervisor.

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There isn't a single path to developing buy-in. "It's about how we can all come together and rally behind a specific idea, because we know it's tied to our overall mission," Hammond said. "When [foundation leaders] see that larger picture, it really helps them to buy into the idea that we're all in this together."

In evolving an initiative, it's key to remain flexible and dynamic, being aware of priorities but acknowledging that they may require adaptation. Hammond also stressed the need to apply investments strategically.

For example, the foundation became aware of an expiring government subsidy supporting 13,000 students with internet during the pandemic. Although the subsidy was about to end, funding the students directly—at \$22 million per year—was neither strategic nor sustainable.

Instead, the foundation has examined longer-term actions that will address such issues more holistically. Kauffman hopes to tailor funding for a survey in Kansas City on connectivity (similar to a Google Fiber survey conducted in 2012) to understand the scope of need. And it plans to invest in capacity building for other community services already working in poverty, technology, digital literacy, and policy, rather than becoming a direct IT provider.

It's important, said Hammond, "to be strategic and mindful regarding the role we play, where we become an investor in a plan or work with other community members, so that we're addressing an issue—not just putting a Band-Aid over it."

After two unsuccessful grant applications, a nonprofit changed its strategy for seeking technology funding and successfully earned funding from a family foundation focused on technology projects.

ZEITGEIST

13 Staff Members

In its multifaceted support of a creative, inclusive community—from theater programs and community organizing to a restaurant, art center, and meeting spaces—technology is a critical part of Zeitgeist’s operations.

The nonprofit has two different types of technology needs. One is a range of technology that includes everything from upgraded WiFi and theater equipment in a performance space to employee laptops and website needs. Executive Director Tony Cuneo calls this “bread and butter infrastructure.” The other is technology for new projects—either brand new initiatives or new takes on existing ones. The organization keeps a running list of both types of technology needs and periodically researches vendors and seeks resources to execute on these needs.

Historically, Zeitgeist struggled to find grants for infrastructure-related needs, Cuneo said, and instead relied upon inserting line items in other types of grants—operating- or marketing-focused funding, for example. But the Minnesota-based Shavlik Family Foundation’s dedication to funding technology projects encouraged the organization to apply for infrastructure support.

First, Cuneo and his team sought funding from the Shavlik Family Foundation to increase the capacity of the organization’s WiFi network and outdoor signage. That application was unsuccessful. The following year, Zeitgeist tried again—but that application also failed.

Undeterred, Cuneo and his staff regrouped and submitted a third funding application the following year. This time, however, the organization improved its approach.

Through conversations with the funders, Cuneo knew that the Shavlik Family Foundation likes to see “clear ROI measurables and innovative new use.” While the projects for which Zeitgeist sought funding in its first two applications were important to its operations, he said, it had been difficult to show a Return on Investment for such technology needs. So this time Zeitgeist shifted its ask to fund new initiatives for which it would be

About Zeitgeist

Zeitgeist is an arts and community development organization in Duluth, Minnesota, that brings the power of storytelling through visual arts, theater, and film to social change work.

easier to make a compelling case: computers with creative software for the launch of new film-making classes; high-quality cameras for students to shoot films; installed cameras for live-streaming in the organization's performance theater; and better film accessibility for the hearing-impaired.

The third time was the charm. The Shavlik Family Foundation provided \$25,000 to fund the project.

Lessons Learned

In addition to the nonprofit's efforts to better make the case for ROI, Zeitgeist put a lot of thought into the technical details it included in its application. For example, Cuneo said, the organization tries to be proactive about vendor research and did not stray from this when it put together its third funding request.

"In our application ... we were down to model numbers, and in many cases had bids from vendors," he said. "We could point to, 'This is what we're going to buy, we've got it queued up. If we get the funding, we'll pull the trigger.'"

He believes this effort strengthened the application and improved its chances of success. "Eight out of 10 times, more level of detail helps make a strong application," he said.

His team tries to start technology research at least a few months in advance before applying for funding. "Let me be really clear that we don't always follow that advice," Cuneo said. "Last week, I wrote a grant—we made a decision like three days before it was due, and we did the best we could. So you do what you can."

He also attributed some of the application's success to the deeper relationship Zeitgeist had built with the Shavlik Family Foundation throughout the three-year process. After the first two applications failed, he spoke with Founder and Executive Director Rebecca Shavlik about Zeitgeist's approach.

I made sure she had an implicit understanding of the needs, even before she got the application," Cuneo said. "I tried to invest the

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time over a few years to get to know her and have her get to know the organization.”

He considers it essential to begin having conversations with foundations' program officers as early in the process as possible to better understand their interests, vet ideas, and build strong relationships. While nonprofits cannot always count on developing a personal relationship with potential funders, they can familiarize themselves thoroughly with grant guidelines and other projects they've funded to ensure they're not wasting the foundation's time—or their own.

Since receiving the grant, Zeitgeist staff have been hard at work putting the resources to good use. They reopened the organization's movie theater and have already completed three film-making classes. It also recorded two live performances at its theater and made them available to virtual audiences—including one locally created new work written by a Cambodian-American student at the University of MN-Duluth's theater program.

"That's been very cool to present statewide," Cuneo said. "The idea of live-streaming our performances is new—that people can attend virtually, that's almost a new program for us."

The Funder's Perspective

Cuneo was right about his application being made stronger by the personal connection he developed with the foundation, Rebecca Shavlik said.

“When people have applied a few times and spend more time talking to me and giving me more background, we walk in knowing their organization a little bit more,” she said. “There is this feeling of familiarity with what they’re doing.”

That familiarity becomes a kind of shortcut for reviewers to “maybe look a little harder” than they did with an earlier application—which probably benefited Zeitgeist. Shavlik added that the efforts of Cuneo and his staff to improve each subsequent application helped as much or more.

“When it comes down to the final decisions, almost every grant we are looking at could be funded,” she said, “so the reviewers use their best judgment as to where grants are going to have the strongest impact/ROI. The fact that two of their proposals made it to the final round speaks well of Zeitgeist’s ability to show planning that includes technology.”

While a lot of factors play into funding decisions, the foundation has struggled in the past with finding the balance between funding infrastructural technology projects or more “transformational” ones.

“Our team sits down at the end of almost every review season, and we spend a lot of time actually talking about why we funded what we funded,” Shavlik said. “We ask, ‘Is our rationale good enough?’”

One issue is simply how to define “transformational.” A cutting-edge technology that enables a nonprofit to create a new program can transform how it serves its

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community. But so can investing in basic infrastructure like reliable laptops and WiFi for staff by helping staff dependably carry out the organization’s day-to-day work.

Shavlik said the foundation prefers to fund organizations already demonstrating an “operational excellence” that creates confidence the investment will be put to good use. If a nonprofit is seeking funding to remediate a technology problem it caused or contributed to by neglecting or ignoring warning signs, its ability to implement and maintain technology is questionable.

“I always tell nonprofits that the best thing they can probably do is just always make sure they have some people on their board of directors who really understand the technology that they’re using—or just technology in general,” she said. “People that are going to be supportive of the conversations that need to be had around strategic planning, and how technology comes into play and how it can be used.”

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About the Technology Association of Grantmakers

The Technology Association of Grantmakers (TAG) is a 501(c)(3) nonprofit membership organization that promotes the strategic, innovative, and equitable use of technology in philanthropy to solve problems and improve lives. With over 1,900 members in 300 foundations throughout North America and beyond, TAG provides technology professionals and "accidental techies" in philanthropy with knowledge, networks, mentoring, and educational opportunities. Learn more at www.tagtech.org.



About Tech Impact

Tech Impact is a nonprofit on a mission to empower communities and nonprofits to use technology to better serve the world. The organization is a leading provider of technology education and solutions for nonprofits and operates award-winning IT and customer experience training programs designed to help young adults launch their careers. Tech Impact offers a comprehensive suite of technology services that includes managed IT support, data and strategy services, telecommunications, and cloud computing integration and support.

In 2018, it expanded its education and outreach capabilities by merging with Idealware, an authoritative source for independent, thoroughly researched technology resources for the social sector.

Tech Impact's ITWorks and CXWorks training programs have graduated hundreds of young adults with the knowledge, skills and confidence they need to start their careers in the technology and customer experience industries. The organization also operates Punchcode, a coding bootcamp based in Las Vegas, NV. Learn more at www.techimpact.org.