

Resourcefulness Brings Greater Rewards for Alcoa Foundation's Global Giving

To achieve greater community impact, Alcoa Foundation constructs a creative online solution to connect international offices, provide better oversight, and ease compliance.

Summary of Benefits

With MicroEdge Web solutions, Alcoa Foundation has:

- ◆ Streamlined and standardized complex global giving processes
- ◆ Significantly improved alignment between proposals received and giving guidelines
- ◆ Enhanced internal communications using an employee portal to deliver grant status information
- ◆ Facilitated due diligence with automated compliance procedures

International in scope, but local in focus

As a global organization, Alcoa touches the lives of thousands of people every day in the communities where the company maintains a presence—through their employees, customers and suppliers, in their plants and through their many nonprofit partners around the world. Living up to high standards of corporate citizenship, Alcoa upholds a firm commitment to share their resources and maintains a deep understanding that their future is linked to the future of their communities.

The company's commitment to community is best illustrated through the work of Alcoa Foundation, a global resource that actively invests in the quality of life in Alcoa communities worldwide. With \$17 million in international grants given in 2004, and more than \$388 million invested since its inception in 1952, Alcoa Foundation has positioned itself as a source of positive community change and enhancement.

Expansion adds complexity to communication & compliance

The world's leading producer of primary aluminum, fabricated aluminum, and alumina, Alcoa has grown appreciably over the years. Recent acquisitions caused a significant increase in the number of remote business sites, surging from approximately 60 facilities to more than 200 in 30 countries.

“Centralized grants management is provided to Alcoa Foundation through GIFTS, which offers a flexible and highly adaptable multipurpose database.”

As a result of this growth, Alcoa Foundation's grantmaking process was becoming increasingly complex. In 2001, the company introduced a new structure by establishing business unit lead teams that would provide more oversight within their system. These lead teams serve as the liaison between Alcoa Foundation and Alcoa business units, reviewing and recommending proposals submitted by the local facilities in an effort to alleviate the overstressed workflow and achieve better alignment with Alcoa's business objectives.

Yet the process was not perfect. Local grantmaking contacts still performed a vast amount of administration—proposal translation and collection of required documentation. They were also responsible for the ever more difficult task of assembling compliance data and performing analysis—extremely time-consuming work that often entailed an in-depth understanding of tax compliance. And for a global corporation such as Alcoa, evolving compliance regulations further obscured matters.

Frequently, proposals sent to lead teams via mail or fax did not include important documents that were kept on file at the locations. This created a "split" grant file and a great deal of correspondence between lead team and unit location. After being reviewed by the lead teams, proposals were sent to Alcoa Foundation staff via mail or fax. However, proposals often got backlogged at the lead team level, and Foundation staff had no way to predict incoming volumes in order to plan staffing and human resources needs. Furthermore, this paper-driven system

created an enormous volume of data entry for Alcoa Foundation staff that was responsible for entering all the required information into their grants management system.

An online directive stirs creativity

This complex structure required a creative solution. Coupled with a board mandate to move online, Alcoa Foundation needed to think quickly and devise a solution that would eliminate the most pressing problems and provide a simplified, efficient process.

Alcoa Foundation considered numerous options to overcome their grantmaking obstacles, but their unique structure posed an added set of complexities, making it difficult to find a perfect solution. Working together with strategy consultant Kieran Murray of E-Philanthropy Solutions, Alcoa Foundation ultimately constructed a solution that aptly handles their most pressing needs.

In accordance with their online strategy, Alcoa Foundation deployed Web-based technologies to create an online application process and made significant changes to their grant application and review procedures, enabling them to automate and streamline proposal submission and evaluation. With a more efficient and consistent process in place, Alcoa Foundation has achieved substantially improved alignment between incoming proposals and giving guidelines. Moreover, they revolutionized compliance procedures to more skillfully address their complex due diligence needs while attaining greater alignment with the Foundation's overall goals.

A synchronized process

As a result of their process and technology adaptations, Alcoa Foundation now has a coordinated, automated grants process. With this online system, they have increased the quality of the applications received due to their ability to educate applicants on giving guidelines and to control the information provided. Proposals are submitted via e-mail to each Alcoa location by potential grantees-in English-eliminating the daunting task of translation, which saves countless hours each

month. Location grant contacts initiate the online application, complete several parts and save it to an assigned account that can be accessed by the appropriate business unit lead team. All relevant documents are provided with the online application and attached to the grant proposal, making split grant files a thing of the past.

Subsequently, lead team recommenders review the applications online and finalize them, submitting them to Alcoa Foundation. The applications are imported directly into the Foundation's grants management system, which eradicates the lengthy paper routing process and extensive data entry previously required. Program staff ensures that all of the coding and data is accurate, and according to Carol Greco, data analyst for Alcoa Foundation, "Our program staff is now more intimately 'in tune' with the details of their grants." It also helps the Foundation maintain a steadier workflow and improved alignment between staff roles and responsibilities. To further facilitate staff planning, the Foundation can run reports to predict incoming volume.

Employee portal

To facilitate communications within Alcoa, the company developed an employee portal that serves as the primary interface to Alcoa location contacts and business unit lead team members, who use the portal to access information about grant status, decisions, and guidelines. The portal is also a central resource for instructions, proposal templates and a basic outline of just about everything needed to submit a grant proposal, so that remote offices can quickly email the documents to organizations in their communities. Alcoa has even made budget, USA Patriot Act/OFAC compliance documents and affidavits completely "electronic-capable" from beginning to end. "To that end, we've eliminated the requirement for most handwritten signatures," states Carol, "but with a more seamless compliance process in place, it's a compromise we have been willing to accept."

Automated compliance procedures

With Alcoa Foundation's new online process, U.S.-based Alcoa locations no longer have to collect, interpret or provide compliance-related information. Since 501(c) determination is automated, IRS data instantly updates in the organization records, contributing to improved data integrity. Additionally, Alcoa Foundation uses an e-mail template to serve as a work requisition to their outsourced compliance service provider, creating a seamless process. A weekly compliance report is returned in electronic format. Request statuses in GIFTS are updated based on this report. Additional investigation is performed on any organization or individual name that produces a positive result during the vetting process. "Complex compliance work is no longer an arduous undertaking for Alcoa Foundation," says Kieran Murray of E-Philanthropy Solutions. "The new process eliminates previous time commitments from locations, lead teams, foundation staff, legal and tax staff, providing real, measurable value."

Alcoa Foundation's process is expected to undergo continuous review and enhancements, Alcoa's corporate structure and culture drive an Alcoa Foundation process that is different than most. While not perfect, the Foundation's routine is working quite well, and the staff believes they've made significant progress toward providing the tools to make the grantmaking process flow more smoothly.

"You have to be creative, patient and willing to compromise—give a little here and there, and hope that things will evolve over the next few years to address things that we are working around right now," admits Carol Greco. "But by thinking outside the box, we've made things work better for now, and we expect to see continual improvements down the road. We're already looking at MyGIFTS and ReviewerCONNECT as likely enhancements to our system in the future."

Behind the scenes

The advancements mentioned in this article were made possible in part by the use of MicroEdge grants management solutions, and even more so as a result of creative and forward-thinking individuals like Carol Greco and other staff members of Alcoa Foundation. Centralized grants management is provided to Alcoa Foundation through GIFTS, which offers a flexible and highly adaptable, multipurpose database. When used in combination with innovative process changes and Web-based technologies such as IGAM, MicroEdge's Internet grant application system, Alcoa Foundation has been able to simplify their grants proposal and compliance processes, while connecting together hundreds of offices worldwide towards a common goal of positive community change.

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