Title:
Performance measurement, evaluation, and accountability in public philanthropic foundations

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Abstract

Philanthropic foundations routinely evaluate and measure the performance of nonprofit organisations to which they distribute funds, as well as the programs that are funded. Another aspect of philanthropic foundations’ evaluation processes, which receives comparatively little attention within academic or practitioner literature, concerns evaluations of grant applications. While the focus of philanthropic evaluation literature is mainly on ‘how evaluation is done’, the focus of this paper is on ‘how evaluation is understood’. This paper details perspectives from interviews with 28 managers and trustees of Public Ancillary Funds as part of a wider study on the accountability of foundations. These public foundations must fundraise from the public and donations to them are deductible against the taxable income of the donor, resulting in a significant element of accountability to the public for their effectiveness and evaluation of the distribution of their funds. Four main themes emerged through the exploration of how evaluation is understood from the perspective of these senior foundation leaders: motivations, values, criteria, and processes of evaluation.
INTRODUCTION

As grant-receivers, the importance of nonprofit organisations providing evidence of their performance to access philanthropic funding is well discussed within academic literature (Bach-Mortensen & Montgomery, 2018; Boris & Kopczynski Winkler, 2013; Carman & Fredericks, 2010; Lee & Nowell, 2015). This literature informs understanding of how evaluation is done within philanthropic and nonprofit organisations. Less is known however of perspectives on how evaluation is understood, especially from the side of the grant-giver. Philanthropic organisations such as grantmaking trusts and foundations, a unique sub-set of organisations supporting the nonprofit sector, are infrequently the subject of academic research or represented within evaluation literature, particularly within an Australian context. Yet, philanthropic organisations routinely evaluate and measure nonprofit organisations’ performance to decide to whom they distribute funds. Philanthropic organisations may further evaluate grant applications received. This aspect of evaluation receives scant attention in academic and practitioner literature.

This paper contributes to filling these gaps by exploring evaluation within philanthropic foundations, responding to two research questions: what are foundation leaders’ perspectives on evaluation? (RQ1); and what are the factors influencing those perspectives? (RQ2). The leaders’ understandings of evaluation emerged within a wider study on the accountability of philanthropic foundations, which questioned what foundations are accountable for and how they are accountable (Mashaw, 2006).

This paper considers perspectives from 28 interviews with managers and trustees of Public Ancillary Funds (PubAFs). This form of philanthropic foundation must fundraise from the public, and donations to them are deductible against the donor’s taxable income, resulting in a significant element of public accountability for their effectiveness in distributing funds. The managers and trustees interviewed are not evaluation specialists or consultants, and their perspectives relate to internally driven and managed evaluations. This lack of specialist knowledge makes their perspectives significant in building a richer understanding of what philanthropic leaders see as important within the evaluative culture and operating environments of their foundations.
Organisational evaluation typically falls under three models: external, where the evaluation is conducted by an external evaluation consultant or specialist; internal, where the evaluation is managed within the organisation; or a combination of both internal and external (McCoy et al., 2013). This paper focuses on evaluations that are internal to philanthropic foundations. As such, this research contributes to calls to extend understanding of internal evaluation perspectives (Rogers et al., 2019) and is presented within this unique Australian context.

The paper begins by providing a descriptive overview of PubAFs in the Australian context. Following this, a brief review of literature relevant to evaluation and philanthropy, and the theoretical framework are presented. This leads to an outline of the study’s methodology. The research findings are discussed considering extant literature, and the paper concludes with contributions to theory and practice, as well as some limitations and suggestions for future research.

BACKGROUND AND RESEARCH CONTEXT - PUBLIC ANCILLARY FUNDS

Philanthropic foundations have grown steadily in both number and size in Australia over the past two decades. They perform vital roles in providing money to support eligible nonprofit organisations working for public benefit purposes. While most of their grants go to organisations working in social welfare, health, and education, they also fund arts and culture, medical research, and environment and conservation (McGregor-Lowndes & Williamson, 2018). PubAFs are trust funds that play intermediary roles between donors and beneficiary organisations. It is important to note that PubAFs cannot deliver services themselves but exist purely to fund others’ work.

PubAFs are challenging organisations to examine as although they have a legal form in common, they vary widely in internal factors such as their values, culture, mission, history, and identity; and have a diverse range of external stakeholders including donors and beneficiaries. Commonly known categories of PubAFs include community foundations, corporate foundations, and ‘flow-through’ or fundraising foundations for individual charities, such as schools or hospitals. PubAFs are regulated by the Australian Taxation Office and the
Australian Charities and Not-for-profits Commission (ACNC). As of December 2020, there were 1,355 active PubAFs in Australia (Australian Business Register, 2020).

A PubAF’s ‘trustees’ are the directors of the PubAF’s corporate trustee, and they have common law fiduciary duties, as well as statutory responsibility for preserving and promoting the PubAF’s interests. They hold ultimate responsibility and are collectively the trust’s legal owners. In the case of smaller PubAFs with few if any paid staff, the trustees’ role often includes managerial tasks. PubAFs are regulated by external bodies and legislative instruments. The three most prominent of these instruments and bodies are the Australian Treasury through the Public Ancillary Fund Guidelines, the Australian Taxation Office through the establishment and endorsement of tax concessions, and the ACNC through the charitable registration of PubAFs and their Annual Information Statement reporting requirement.

PubAFs must raise funds from the general public, and this fundraising requires PubAFs to gain and maintain the trust and approval of donors to ensure long-term sustainability. Moreover, a majority of people involved in the fund’s governance must have a degree of responsibility to the Australian community (Ward, 2016). “…the underlying concept of public funds is that the public are able and invited to contribute and the fund is operated in a public manner for public benefit” (Ward, 2012, p. 4). PubAFs thus act as aggregators and amplifiers of giving, uniting donors around a shared cause or community. As organisations constituted for multiple purposes by varied groups of stakeholders, PubAFs can also convene and give voice to diverse groups and causes.

**LITERATURE AND THEORY**

In this paper, we distinguish between philanthropic funders and other funders (such as government), as philanthropic funding has certain distinguishing characteristics. These include lower levels of formal accountability, greater discretion around purposes, popularity and timing, and less discretion around categories of beneficiary organisations (Anheier & Leat, 2018). The literature on evaluation and performance measurement in a philanthropic
context broadly focuses on evaluation of the work of beneficiary organisations that receive grants. Assessment of applications for funding (by those foundations that accept unsolicited applications, and not all do) and the evaluation of foundations’ own performance in making grantmaking decisions are less often considered in both academic and practitioner literature (for an exception, see Benjamin, 2010b). Indeed, much of the literature on philanthropic evaluation is published in journals with a practitioner focus, such as The Foundation Review published by the Johnson Center for Philanthropy in the US. Case studies of individual foundations’ evaluation programs are featured (see, for example, Easterling et al., 2019; Greco et al., 2015), however there are also contributions in a wider philanthropic context (Bare, 2010; Coffman et al., 2013; Coffman & Beer, 2016; Kelly et al., 2019; Scherer, 2016).

Evaluation, like accountability, is a multi-faceted concept. Definitions of evaluation from a philanthropic or nonprofit context include accessing, understanding, and using evaluative information to achieve organisational goals (Rogers et al., 2019); the process of determining worth, merit, or significance (Gullickson & Hannum, 2019); and activities that systematically assess and learn about a foundation’s work and go beyond reporting, monitoring, and due diligence practices (Buteau et al., 2016). However, literature focusing on philanthropic evaluation including those organisations that are intermediaries (Benjamin, 2010b) recognises evaluation and impact measurement to be contested issues. The classical definition of philanthropy as “love of humankind” (Sulek, 2010) and the legal definition of a philanthropic grant as an unconditional gift (Australian Taxation Office, 2005) both suggest that efforts to quantify and/or evaluate outcomes of activities motivated by love and generosity are inappropriate. Trust and relationships are often cited as supporting grantmaking decisions, building from long-term partnerships between funders and beneficiary organisations.

There are also movements within philanthropy and charitable giving, towards greater rationality, effectiveness, and return on ‘investment’ of funds, and these principles are strongly connected with measuring, evaluating, and comparing outcomes (Mitchell & Calabrese, 2020). Such economic understandings of evaluation and performance measurement in the nonprofit sector are often linked with corporate social responsibility. Frameworks such as Social Return on Investment dominated in the past decade, but often require resources to implement that are beyond the scope of smaller nonprofit organisations,
including philanthropic foundations themselves. Capacity issues and the questionable right of funders to impose accountability demands on small recipient organisations are examined by multiple nonprofit researchers (Bryan et al., 2020; Coffman et al., 2013; Kelly et al., 2019; Messner, 2009).

Comparison as an element of philanthropic evaluation is little discussed in the literature, but relates to the counterfactual, or the opportunity cost of one decision as compared with multiple possible others (Leat et al., 2018). The utility of evaluation data by foundations is also contested, with multiple studies finding that foundations undertake and commission evaluations in response to normative or peer-pressures, but then fail to use the outcomes in future decision-making (Anheier & Leat, 2018; Greenwald, 2013; Williamson et al., 2017). Key papers on evaluation in and by philanthropic foundations are often based on empirical data or observation from the US (Dean-Coffey, 2018), and to a lesser extent, from Europe (Anheier & Leat, 2018). Comparatively little is known in the context of Australia, New Zealand, or South East Asian countries, with some notable exceptions (Blewden, 2010; Leat et al., 2018; Williamson et al., 2017).

The theoretical framework of accountability adopted in the study was Mashaw’s (2006) conceptual framework of accountability in institutional design and governance. Mashaw’s frameworking questions of who is accountable, to whom, for what, how, by what standards and with what consequences, are expanded to include questions of when, and why organisations are accountable. According to (Mashaw, 2006, 2014), these are questions that should be posed when exploring evaluation and accountability in multiple contexts and dimensions. This conceptual framework of accountability supports the paper’s focus on public foundation leaders’ perceptions of and influences on evaluation in and by their organisations. Focusing on this framework enables a broader lens through which to view accountability and evaluation than typically provided through agency perspectives (Jensen & Meckling, 1976) which can direct leaders’ focus toward their relationship with their principal, namely the board as representatives of founders and funders (Benjamin, 2010a). This may emphasise accountability and evaluation more as monitoring processes rather than enabling processes (Bare, 2010; Ebrahim, 2003). Mashaw’s (2006) frameworking was helpful in
moving understanding of accountability and evaluation toward enabling processes, which is also in keeping with philanthropic principles of gifting and generosity.

Reflecting RQ1, Mashaw’s (2006) framing questions of how, and with what outcomes or consequences are explored in the literature on nonprofit and philanthropic evaluation, describing findings around giving and receiving accounts (Benjamin, 2008), differences in means of accountability to different stakeholder groups (Busuioc & Lodge, 2017), and program outcomes or results-based accountability (Weir & Watts, 2013). Reflecting RQ2, Mashaw’s (2006) framing questions of why, and in what circumstances, are explored in the philanthropic evaluation literature, detailing themes of voluntary accountability (Williamson et al., 2018), objective and subjective measures (Fry, 1995), and concerns regarding accountability (Kamuf, 2007; Messner, 2009).

METHODS

This study adopts a critical realist ontology (Fleetwood, 2005) by viewing accountability as a concept that exists independently of any individual’s subjective experience, and acknowledging that understandings evolve over time. While the study takes the perspectives of individuals (managers and trustees) as the unit of examination, it recognises that observations are filtered by both individual and social mediators (Fleetwood, 2009). As part of a larger study on the accountability of philanthropic foundations, this paper draws on data from telephone interviews with senior leaders of 28 PubAFs, undertaken in late 2017 and early 2018. Each interview (range 43 – 94 minutes) was recorded and transcribed using Trint Artificial Intelligence transcription software online. Transcripts were carefully checked against the recordings, then coded following a semantic approach (Braun & Clarke, 2006) into both theory-driven and data-driven or emergent themes for analysis. Appendix 1 provides details of participants, including interview length and demographic information relating to each interviewee’s position and associated PubAF.
By speaking with representatives of a purposive sample\(^1\) of PubAFs, each with a potentially different lens through which they view and understand accountability, a multi-faceted view of the phenomenon was achieved (Perry & Rainey, 1988; Rowley, 2012). The study’s critical realist ontology supported the epistemological understanding that knowledge is generated as the number of consistencies within subjective data grows and the number of inconsistencies falls. This understanding informed the data analysis. The validity and reliability of findings were supported by the robust coding process (Maher et al., 2018) and the systematic and reflective interview question protocol (Berry, 2002) (see Appendix 2).

Coding of interview transcripts was undertaken with NVivo software to enable greater flexibility in querying the data, particularly in the form of comparisons between themes; support collaborative future research; and generate time savings (Rademaker et al., 2012). A coding book was built throughout the data analysis process recording the creation and use of codes, especially emergent codes and child-codes (Fereday & Muir-Cochrane, 2006). This record noted the sequence in which emergent codes were added, the definitions created and amended throughout the coding process, and quotes from the interview transcripts typifying each code (Irvine & Gaffikin, 2006). Appendix 3 lists theory-driven codes and emergent first-order codes and their descriptions.

**FINDINGS**

Through analysis of interview discussions, four main themes around evaluation emerged, enabling an understanding of how evaluation is understood from the perspective of PubAF leaders. These four themes were evaluation motivations, values, criteria, and processes. Motivations and values of evaluation are linked in responding to RQ2 and reflect Mashaw’s (2006) theoretical frameworking questions of why, in what circumstances, or when actors are accountable. Criteria and processes of evaluation respond to RQ1 and reflect Mashaw’s (2006) theoretical frameworking questions concerning how and by what standards actors are accountable. Each of these four themes is discussed in greater detail below, offering illustrative quotes from PubAF leaders as evidence.

\(^1\) Based on taxonomic categories, Australian Charities and Not-for-profits size groupings, and geographic location by state and remoteness
Leaders’ motivations for engaging in evaluation

This theme describes reasons why foundations engage in evaluation. Most are instrumental, related to the achievement of a desired outcome, either directly and internally for the foundation itself, or indirectly and externally through choosing those beneficiary organisations most likely to achieve the foundation’s purposes.

Providing a service to major donors and fulfilling donor’s wishes arose as motivations for evaluation. This is unsurprising as PubAFs seek donations in order to have funds to distribute. Having strong evaluative processes for distributing those funds is a way of relieving donors of that burden, and an act of giving back e.g., “We call for expressions of interest. We go through the grant applications and we make recommendations to them. So that's kind of how we work with our grant partners” (PubAF6) and “I'm always getting asked…why isn't there something…that people could give to and then that organisation would determine who were the worthy recipients?” (PubAF9). Similarly, evaluation enabled a way of meeting donors’ expectations, e.g., “Every donor is a person, and they like to be communicated with according to their own wishes. So, some donors like to come along and have a meeting with people that they're funding…others like to have a full evaluation of a program. So, it just really depends” (PubAF12).

Motivations for participating in evaluation also include enabling continuous improvement, e.g., “quite a bit of the discussion was based on going back and looking at former decisions…and saying well did this work? Was that the right decision to make at the time? Why? And if it wasn't, why not? Or you know if it failed, why not?” (PubAF7). Additionally, being able to measure impact was a driving force in motivating leaders’ perceptions of evaluation’s importance. Measurement provided evidence to support the use of donor’s funds. One leader was emphatic about the importance of measuring impact to achieving their mission; “if we're going to talk about impact, and we're going to talk about the outcomes, and we're going to try and create the change we want to create, then we've got to measure it” (PubAF13). The necessity of matching this change to community needs was highlighted; “we then need to put those programs in place, and we need to be accountable for those programs working. There's no point putting money into something that doesn't work” (PubAF27). In this sense, evaluation is an enabler the good these organisations are trying to create within the
community, e.g., “the basic premise all the time is what's going to give you a good outcome? From our point of view is, in giving that money, will that project go ahead? Will it be successful?” (PubAF9).

Thus, motivations for evaluation were concerned with leaders’ sense of responsibility for the resources under their influence and control. This sense of responsibility relates to the theme of values of evaluation.

**Leaders’ values influencing engagement in evaluation**

This theme describes evaluative principles underlying funding decisions by foundations. These values may be expressed regarding stakeholders, to colleagues, or to an individual themselves. Foundation managers perceived values relating to trust, honesty, identity, and privilege to be important when considering evaluation. Broadly summarised, these values concern integrity and respect.

Trust was important to leaders, both trusting others and being trusted as a foundation. One leader felt their decision-making process around grants did not reflect this value, “People have to be accountable and flexible and we have to trust them, and our grantmaking process generally doesn't trust people, is what I find” (PubAF12). Trust was closely linked with honesty, and meeting both legal and moral obligations, “We get some gifts, bequests, legacies, things like that, and it's embedded into the work you do that says if a person gives you money for a particular purpose you apply it to that purpose. And no ifs, buts, or whatever” (PubAF1). However, this obligation to donors could present challenges in implementation, “The difficulty that we have in, I suppose just from a distribution perspective is that every client has got different wishes. So, it's not like we have control” (PubAF21).

Values around identity and privilege were also noted by PubAF leaders, acknowledging that decision-making is informed not only by evaluation but also by life histories and experience of those tasked with choices, “I mean obviously everyone is different. Everyone has their history with different diseases or different causes…I'm not even sure, if I had to make the decisions, which ones I'd go for” (PubAF14). Their exceptional and privileged position was acknowledged by one leader in the latitude and independence of their roles, “Well, what shall
we do? [Do we] have no idea, or you may have an idea. It's all very, very open and it's an incredibly privileged position to be in. Because not many people do have that flexibility or autonomy” (PubAF12).

These values illustrate the significance of evaluation to PubAF leaders. Here evaluation and evaluative thinking are considered to strengthen the trustworthiness, honesty, and identity of PubAFs. Strengthening these areas reinforces the work of PubAFs enabling their position of privilege to be upheld.

**Leader’s perceptions on evaluation criteria**

This theme describes the elements considered or at play in decision-making by foundations, noting variables that are assessed or compared. When applying evaluative criteria toward grantmaking decisions, PubAF leaders’ perceptions included a focus on the applicant nonprofit organisation’s effectiveness. These perceptions considered the organisation’s quality and effectiveness, and whether they are organisationally sound and efficient. Additionally, PubAF leaders considered the capacity of grant-receivers to administer the project and the organisation’s financial situation (did they have too much money already and not need it, or too little and not be able to afford to administer it?), e.g., “[in] my review, I’ve looked at financials and various other aspects of the organisation” (PubAF7).

PubAFs leaders acknowledged the importance of grant-receivers adhering to legislative requirements and being able to check their status through government portals, regulative reporting, and annual statements, e.g., “we do keep an eye on the ACNC double defaulters and red-watch and all those sorts of registers to provide that sort of advice” (PubAF2). Additionally, leaders considered the organisation’s mission or activities and whether to apply funding toward “…just one grouping, or do we want to spread it across all groupings? Because we could have easily done either direction” (PubAF1).

Criteria for evaluation are thus understood by PubAF leaders as reflecting the need for probity and effectiveness in their grantmaking. These fundamentals of grantmaking were the precepts of evaluation, at times equivalent to hygiene factors, necessary but not sufficient for a grant to be made.
Evaluation processes used by leaders

This theme describes activities or ways in which evaluation was undertaken within foundations. Some participants outlined step-by-step procedures, while others discussed the distribution of activities across different groups of people. Processes frequently involved some type of ranking or prioritising of applications.

Discussing ranking and reviewing the grant applications received, PubAF leaders spoke of prioritising applications according to their compliance with funding requirements. One leader detailed an evaluation process for choosing charity partners which involved staff votes, here, “…we've gone through it twice now and it's a highly engaging process. In fact, the last time we did a vote, more staff voted on choosing charity partners than voted on their own enterprise agreement” (PubAF5).

Other evaluation processes used by leaders include reflecting on past decisions, e.g., “if it's not working, then we want to try stuff and find out why and what it is. So, we take risks but we...you can only do that if you actually get the information, and you can use it, and you can work together on it. And you go wow, that didn't work, and the reason for that is this, and let's not do that again” (PubAF12); and going into partnership with other people, or organisations. Additionally, making application processes fit for purpose and matching the dollar amount being requested were seen as important evaluative processes. Furthermore, PubAFs apply remedial processes, e.g., “we find with our distributions that charities are still not always providing all the necessary information for us to complete our due diligence before we fund. So that's a hiccup. And that doesn't mean that we omit them. It's just that we'll defer any decision around funding for which they may have been nominated, and we'll defer that to the next round” (PubAF25).

Accordingly, processes of evaluation were tangible expressions of the other three themes, namely motivations, values, and criteria of evaluation. These methods and approaches to evaluation in PubAFs were also pragmatic, reflecting PubAF leaders’ felt responsibility to focus on effectiveness in their application of funds for public benefit purposes.
DISCUSSION AND CONCLUSIONS

Evaluation, performance measurement, and assessment are activities performed routinely by many philanthropic foundations, often with infrequent attention to the frameworks or models adopted and their fit with the foundation’s identity, values, and stakeholders (Coffman & Beer, 2016). This paper contributes to understandings of the approaches and perspectives of senior leaders of public foundations in an Australian context. Philanthropic foundations’ ancillary nature, supporting other nonprofit organisations through grants, gives them a different perspective on evaluation. Decision-making around the distribution of resources is their primary task, and evaluation thus has different motivations, values, criteria, and processes than in service-delivery nonprofit organisation where effectiveness and ultimately organisational sustainability are core concerns. Key findings are grouped under these four perspectives through which evaluation is viewed by PubAF leaders.

Motivations for evaluation had two focus areas – donors and effectiveness. Evaluation was perceived as a service to major donors, allowing their wishes to be carried out effectively including after their active involvement in a foundation ceased. Evaluation was also seen as helping draw in donations to the foundation by evidencing that grantmaking was aligned with and meeting beneficiaries’ needs (Ostrower, 2007). Evaluation was further motivated by the wish to improve decision-making in distributing funds through grants, bringing both logic and pragmatism to maximising public benefit (Ashley, 2007).

Values of evaluation also included a focus on donors’ wishes but extended beyond this stakeholder group to encompass trust and flexibility. A very personal and individual element expressed by certain foundation leaders, who recognised with some degree of humility that the role of evaluation was one of privilege. While the philanthropic literature discusses the privilege of donor control, the privilege of evaluation is a new finding in a foundation context. Gullickson and Hannum (2019) critique the dominance of evaluation processes in the literature, with less emphasis on the values that inform evaluation conclusions. While diversity and racial equity were not mentioned by participants in this study, Dean-Coffey (2018) emphasises in the context of US philanthropic foundations that data and evaluation
have a powerful future role to play in the equitable distribution of foundations’ knowledge and funds.

Evaluation criteria or principles in the assessment of applications for grants included organisation level and project level factors. At the organisational level, foundation leaders discussed perceptions of quality and/or effectiveness, financial health, and meeting legal and regulatory requirements (Benjamin, 2010b). At the project level, administration and fundraising costs were a focus of evaluation, as well as determining whether there was a genuine need for the service(s) being provided. For the foundation itself, leaders discussed balancing evaluation funding across multiple criteria, as well as by geography and volume.

Evaluation processes varied significantly between foundations, consequent on their size, mission, and staffing echoing findings by Coffman and Beer (2016). Key elements in evaluating grant applications received were processes of review, ranking, weighting to criteria, and on occasion, voting. The importance of matching or balancing evaluation processes to the grant amount was noted, potentially as a collaborative and flexible process over time between funder and beneficiary. This is particularly topical in regard to the impact of COVID-19 on reporting frameworks and requirements being renegotiated between funders and nonprofit organisations (Seibert et al., 2021). Evaluation processes could also include an internal review by a foundation of its past grantmaking decisions.

Current discourses on philanthropy and evaluation in an Australian context are closely tied, if not conflated, with discourses on performance and impact measurement and accountability. This paper builds from and extends the literature on philanthropic evaluation, detailing nuanced ways in which foundation leaders understand, conceptualise and make judgements about evaluation. These findings emphasise philanthropic leaders’ intrinsic understanding of evaluation as a future-focused instrument of change (Dean-Coffey, 2020), rather than a way of capturing past change. This highlights the need for increased evaluation and greater accountability in a philanthropic context, supported by foundation leaders’ identified motivations and values. While a range of perspectives was expressed regarding PubAFs’ motivations and reasons for engaging with evaluation, key findings focused on the importance of fostering donors’ confidence in the organisation, and building credibility and reputation.
Further influences were enhancing organisational effectiveness, and the respondents’ personal moral and ethical beliefs.

Practical implications of the research reframe the evaluative roles of public foundation leaders in multiple ways: as grantmaking, as assessment of performance, as a responsibility to their mission, and as due diligence. As Scherer (2016, p. 51) notes in a study of US private foundations, there is “no consensus on what to evaluate and how to define success, which makes it difficult for staff and grantees to navigate and apply multiple interpretations of evaluation ‘best practices’”. While this lack of consensus around evaluation in foundations may have a blurring effect, by adopting Mashaw’s (2006) framework of accountability this study nevertheless finds common ground around motivations, values, processes, and criteria for evaluation in managers and trustees. This suggests that while evaluation as an activity may be debated, evaluation as a concept is more readily understood by foundation leaders.

Possible negative aspects of the findings include the external focus of much evaluation activity by PubAFs, with a clear focus on donors as key, powerful stakeholders. Significantly less focus was given to beneficiaries of grants, and the benefits or costs of evaluation to them as a crucial and genuine partner in delivering on a foundation’s mission (Kingston et al., 2020). While donors’ and beneficiaries’ perspectives are also important, they are beyond the scope of the current study, and may provide a focus for future research. There was also less discussion or comment on a foundation’s internal use of evaluation, particularly concerning evaluation processes.

Publicness of PubAFs is an important part of their identity (Williamson & Luke, 2019) and they are responsible to the general public through the tax deductibility of the donations they must seek. The leaders’ perceptions of evaluation presented within this paper are thus a crucial contribution to understanding philanthropic foundations’ use of evaluation in their work for public benefit purposes. Foundations have been found to amend their evaluation practices by adding another layer on top of their existing models (Coffman & Beer, 2016). This accretive model of evaluation development misses opportunities to retire old ideas, perspectives, and practices that impede the contribution of a foundation’s work in evaluation. By building a richer understanding of what philanthropic leaders see as important within the
evaluative culture and operating environments, findings presented within this paper may help to further the contribution of a foundation’s work in evaluation, and subsequently enhance organisational practice. Future research might focus on questions of who contributes to, maintains, controls, and can use shared knowledge (Kelly et al., 2019).

Limitations of the research explored in this paper concern the single researcher bias in the coding undertaken, although the coding schema was reviewed by multiple researchers. The findings pre-date COVID-19 and many foundations have responded to the pandemic by streamlining and minimising application and reporting processes to make them faster for both the foundation and the nonprofit beneficiary organisation.
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APPENDICES

Appendix 1
- PubAF and interviewee details

| PubAF ID | Size | State | Year est. | Participant’s job title | Role(s) in PubAF | Interview Length (mins) |
|----------|------|-------|----------|--------------------------|------------------|-------------------------|
| PubAF1   | Large| NSW   | 1996     | Chief Financial Officer  | Trustee          | 65                      |
| PubAF2   | Large| NSW   | 2008     | Director or Trustee      | Trustee          | 94                      |
| PubAF3   | Medium| NSW   | 1983     | Director or Trustee      | Trustee          | 50                      |
| PubAF4   | Small| WA    | 2009     | CEO & immediate past CEO | Managers         | 67                      |
| PubAF5   | Large| WA    | 2013     | Executive Manager        | Manager          | 70                      |
| PubAF6   | Small| NSW   | 2005     | Executive Officer        | Manager          | 53                      |
| PubAF7   | Large| VIC   | 1979     | Executive Officer        | Manager          | 63                      |
| PubAF8   | Large| QLD   | 2012     | Donor Relations Manager & Director of Resource Development | Manager & CEO | 69                      |
| PubAF9   | Medium| VIC   | 2001     | Acting CEO               | Manager          | 72                      |
| PubAF10  | Medium| NSW   | 2014     | Director                 | Trustee          | 54                      |
| PubAF11  | Medium| VIC   | 2014     | Chief Executive Officer  | Manager          | 74                      |
| PubAF12  | Small| VIC   | 1965     | Executive Officer        | Manager          | 50                      |
| PubAF13  | Large| VIC   | 1954     | Chief Executive Officer  | Manager          | 63                      |
| PubAF14  | Small| QLD   | 2008     | Foundation Coordinator   | Manager          | 69                      |
| PubAF15  | Small| NSW   | 1982     | Director                 | Trustee          | 63                      |
| PubAF16  | Small| VIC   | 2007     | Former Executive Officer | Manager          | 60                      |
| PubAF17  | Large| NSW   | 2011     | CEO                      | Manager & trustee| 65                      |
| PubAF18  | Large| VIC   | 2006     | Executive Officer        | Manager          | 80                      |
| PubAF19  | Large| VIC   | 2005     | Executive Director       | Manager          | 51                      |
| PubAF20  | Medium| SA    | 1989     | Foundation Director      | Manager          | 65                      |
| PubAF21  | Large| NSW   | 1999     | Senior Philanthropy & Nonprofit Services Manager | Manager | 68                      |
| PubAF22  | Small| QLD   | 2011     | Program Coordinator      | Manager          | 46                      |
| PubAF23  | Small| QLD   | 2011     | Assistant Company Secretary | Trustee | 43                      |
| PubAF24  | Small| QLD   | 2014     | President                | Trustee          | 54                      |
| PubAF25  | Medium| VIC   | 2007     | Executive Director       | Manager & trustee| 63                      |
| PubAF26  | Large| NSW   | 1984     | CEO                      | Manager          | 75                      |
| PubAF27  | Small| SA    | 1973     | President/ Chairperson   | Manager & trustee| 54                      |
| PubAF28  | Medium| WA    | 1995     | CEO                      | Manager          | 64                      |
Appendix 2
– interview question protocol

| Background/opening questions |
|------------------------------|
| 1. Tell me the story of the establishment of the foundation. Why was it established? What was happening at that time? |
| 2. What is the purpose of the foundation? Is this the same as its mission? |

| Accountability frameworking questions |
|---------------------------------------|
| 3. Can you tell me about your role in the foundation? What are your responsibilities? *(who is accountable)* |
| 4. When you are making decisions around grantmaking or investment, whose interests do you consider? To whom do you feel responsible, or give an explanation for a decision? Who do you look to for feedback? *(individuals, groups or organisations)* *(accountability to whom?)* |
| 5. Are all of those interests equal? Are some more important than others? In what ways are they differentiated? |
| 6. And that’s because…? *(accountability why?)* |
| 7. “What processes does that involve?” “What does that mean you do in practice?” *(accountability how?)* |
| 8. “What aspects of your work are they interested in?” *(accountability for what?)* |
| 9. What follows? What would happen if you didn’t take their interests into account? *(effects, sanctions, consequences)* |
| 10. Who ultimately takes responsibility for the work of the PubAF? *(who is accountable?)* |
| 11. By what standards (legal, operational, social, sector) is your work assessed or judged? |
| 12. Are there particular times or events at which the PubAF is more accountable? *(accountable when?)* |
| 13. Do you think the accountability of your PubAF has changed over time? If so, what changes have you noticed or implemented? What about accountability of PubAFs as a group? Has that changed over time? |

| Exploring perceptions of accountability |
|----------------------------------------|
| 14. Have you ever been in a situation where the accountability of your PubAF sat uncomfortably with you for any reason? What generated those feelings? What did you do in response? |
| 15. What are the most positive aspects of accountability for you? And the most negative? |
| 16. Your organisation is called a Public Ancillary Fund. What does “public” in this context mean to you? |
| 17. Are your perceptions and understanding of accountability influenced by particular sources? What are these? Are they local, national or international? |

| Identity of the PubAF |
|-----------------------|
| 18. What is central to your PubAF? What is at the heart of the organisation? Which elements of your work are most significant? |
| 19. What is enduring about your PubAF? What are the things that continue, regardless of changes? |
| 20. What is distinctive about your PubAF? What attributes make it different from other PubAFs? |
| 21. Is your PubAF linked with a particular geographic area? |

| Concluding question |
|---------------------|
| 22. We’ve covered a lot of questions in a short period of time. Is there anything you would like to emphasise or add regarding to your previous responses? |
Appendix 3 – Theory-driven and emergent first-order codes and descriptions

Table A3.1. Theory-driven coding

| First-order code                  | Description                                                                 |
|-----------------------------------|-----------------------------------------------------------------------------|
| Accountability consequences       | Benefits, disadvantages and costs of accountability                         |
| Accountable for what              | Activities - grantmaking and investment, governance, risk management. How the PubAF achieves its mission and purpose |
| Accountable how                   | In what way or manner, by what means or methods? The way in which. Ways or mechanisms by which PubAFs are accountable, tools (point in time) and processes (over time) |
| Accountable standards             | Legal, professional bodies, peers or internal standards against which accountability can be assessed |
| Accountable to whom               | Individuals, groups, regulators, organisations who are stakeholders in PubAF |
| Accountable when                  | Times when accountability is prominent or more important, can be calendar, life-stage, event or process time |
| Accountable who                   | Individuals, groups or bodies that hold responsibility                      |
| Accountable why                   | Motivations and purposes of accountability                                  |

Table A3.2. Emergent codes

| First-order code                  | Description and sub-codes                                                                 |
|-----------------------------------|--------------------------------------------------------------------------------------------|
| Co-funding                        | Funding arrangement by which two or more funders combine to support a project or organisation |
| Dyadic organisation               | A parent company is a company that controls or strongly influences a smaller, newer organisation |
| Future focus                      | The time ahead, what is still to come                                                      |
| Geographic scope                  | Place-based philanthropy, lines on a map of where a PubAF will and will not make grants    |
| Identity and types                | What is central, enduring and distinctive about a PubAF                                   |
| International influences and comparisons | Other countries, especially the UK and the US, where accountability practices and opinions shape local ones |
| Legal structure                   | The trust structure of PubAFs or the inter-relationships between linked organisations and the PubAF |
| Mission and purpose               | Fundamental values or philosophies, desired future state, why the organisation exists in the first place, what it was established to try to achieve |
| Private and public                | Contrasts, differences and similarities between private and Public Ancillary Funds, and between private and public foci for PubAFs |
| Risk                              | Exposure to harm, loss, danger or liability                                                |
| Sub-funds, Donor-advised funds    | Issues relating to named sub-accounts within a PubAF                                      |
| Sustainability                    | Meeting present needs without compromising ability to meet future needs                   |