EXECUTIVE SUMMARY

In response to the devastating wildfires that occurred across Colorado during 2012, the 2012 Colorado Fire Relief Fund provided $1.7 million through 81 grants to support direct services to individual fire victims, environmental restoration projects, community rebuilding, and replenishing supplies for volunteer fire departments. In the early days of implementing the Fire Fund’s work, the Allocation Board committed to documenting our process to help other communities learn from our work. This report summarizes how the Fire Fund approached its grantmaking and describes the process used for awarding grants across Colorado.

In addition to documenting our process, this report summarizes our most important lessons learned and recommendations for other communities facing similar disasters, including the following:

- Prioritize transparency. From the initiation of our work, the Fire Fund’s Allocation Board committed to being fully transparent in our work. The Fire Fund openly publicized grant priorities, the decision-making process, and grant decisions in a timely and detailed manner. The Allocation Board also prioritized the importance of local decision-making with oversight from the statewide Allocation Board. We believe this commitment to transparency and openness built trust and confidence in the Fund’s work.

- The Fire Fund Allocation Board decided early on that we could achieve the greatest impact through overseeing a community-oriented grantmaking process that would award grants to nonprofits and governmental entities for addressing intermediate needs. This philosophical determination was important in setting the direction of the Fire Fund and expectations for donors, victims, and affected communities from the outset.

- The Fire Fund leaders found it necessary and sometimes difficult to balance the strong desire to get funding into the affected communities in a timely manner and the need to take the time to allow potential applicants to pull together well-crafted, thoughtful projects amidst a complex and ever-changing environment. Therefore, slightly delaying the Fire Fund’s initial application deadline by three to four weeks could have improved the effectiveness of our work.

- Best practices in disaster grantmaking are emerging and many excellent resources now exist on how to effectively manage such processes. Therefore, it is not necessary to “re-create the wheel,” but instead to learn from others, with modifications in response to local needs and circumstances. We encourage other communities facing similar challenges to start with reaching out to others who have been down this road prior to proceeding on their own, as we found this to be highly valuable and important in building a strong, effective process in a timely manner.

- The Fire Fund’s work changed over time as we saw community needs evolving and our available funding growing. We recommend entering this process with a willingness to be flexible and adaptable over time and building a culture that is supportive of this approach early on.

The Fire Fund is also making all of the documents used in implementing its work available to others for full use without attribution. These resources can be accessed at www.denverfoundation.org.
Introduction

As we learned through the process of awarding grants through the Fire Fund, disaster grantmaking holds a host of challenges that were unfamiliar to most of the people involved in our work and for many of our grantee organizations. For the Fire Fund, we had the benefit of having many seasoned grantmakers and philanthropic leaders directly involved in the design and implementation of our process. We used this expertise to craft a process that was based on what works well for traditional philanthropy and adapted it with the input of research, feedback, and advice about what works for disaster grantmaking. While we believe we crafted a solid process that helped us expeditiously and effectively disperse $1.7 million to projects that represent significant community needs, we also learned a lot in implementing our work. We are providing the following information to help other communities learn from our process when responding to local disasters, including wildfires.

Overall Approach to Grantmaking and Timeline

The Fire Fund was formally established in early July, 2012. First steps included contacting other foundations and gathering disaster philanthropy resources to learn from the work of others. We started with contacting those involved with philanthropic responses to the 9-11 victim compensation process, the Boulder County Four Mile Fire Fund creation, the response to Hurricane Katrina, and the San Diego wildfire response. Early on, everyone involved felt a strong sense of urgency to establish a process for awarding grants that would help get funding into the affected communities quickly.

From the start, the Allocation Board decided to award two types of grants: 1) small grants up to $15,000 for volunteer fire departments to help replenish supplies, since these departments are often the first line of defense for wildfires; and 2) project grants for governmental entities and nonprofit organizations for direct assistance for fire victims, community rebuilding, restoration, and reimbursement of lost wages for volunteer fire fighters. These grant priorities were established through the process of researching other wildfire relief efforts, interviewing victims, and gathering information from each affected community about their most pressing needs. The Fire Fund Allocation Board also made the deliberate decision to develop a community-oriented grantmaking process, rather than the creation of a victim compensation fund. With this decision, Fire Fund grantees could provide small amounts of direct financial assistance (up to $5,000) to fire victims, with much of the remaining funding reserved for other direct services such as case management and counseling, community rebuilding, and restoration projects.

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We launched the application process for volunteer fire departments first, setting aside a $300,000 pool of funding (at the time, 30 percent of what had been raised). The application process for the volunteer fire departments included a one-page letter and a budget summary. The Fire Fund released the application guidelines on August 1, with applications due on August 20. The Allocation Board decided to move quickly with distributing these funds because the potential for additional 2012 wildfires was high and equipping these departments seemed to be an essential first line of defense during a long, hot, and dry summer. We allowed some additional applications to be submitted after the deadline, since some of the initial funding pool remained and wildfires continued burning across Colorado well into fall.

Grantees were given about two months to use their grant funding and were asked to provide a short report summarizing their expenditures and how the funding improved their level of preparation for fighting future fires. Altogether, grants totaling more than $292,000 were awarded to 38 volunteer fire departments.

For project grants, the Fire Fund managed a total of three funding cycles (two each for the Pikes Peak region and the statewide pool, and three for Larimer County). Project grant applicants were encouraged to keep their requests below $50,000 and most requests fell under this threshold. The Allocation Board set caps for the initial round of funding to ensure that some resources remained for a second round of funding, based on the assumption that some projects would take more time to pull together and funding should be available for such efforts. The Fire Fund released the initial guidelines on August 1, with a deadline of August 15. The guidelines for the second round of funding were released in early September, with an October 1 deadline. The final round of funding for Larimer County took place in late February, 2013. (Note: The decision-making process for these grants is described in Part I of this report.)

Project grantees were generally given six months to implement their projects, with a rolling deadline based upon the approval date for their grant application. More than half of the Fire Fund’s project grantees have requested extensions, nearly all of which have been granted. We expect nearly all awarded projects to be completed by July 31, 2013.
LESSONS LEARNED AND CONSIDERATIONS FOR OTHER COMMUNITIES RESPONDING TO LOCAL DISASTERS

Grantmaking

The sense of urgency to respond to these devastating wildfires was immensely powerful in determining the early work of the Fire Fund. With very graphic and painful images of the devastation caused by these fires, the Board’s desire to get the Fund up and running seemed like the top priority. In retrospect, we believe that the Fire Fund could have slowed its pace by a few weeks, especially for our first round of funding. We referred all people who wanted to help address immediate needs to www.helpcoloradonow.org. That website, in turn, referred people to organizations such as the Red Cross and Salvation Army that were providing immediate, direct assistance to individuals who had lost their homes and suffered in other ways from the fires. Because these immediate needs were not within the scope of our work, we could have proceeded a bit more slowly to address intermediate needs while still maintaining our commitment to distribute grants in an expeditious manner.

We believe we developed an effective set of grant guidelines and a strong decision-making process in a very short period of time; however, we believe we could have taken more time in accepting applications, primarily because many local governments and nonprofits had not yet been able to complete needs assessments and develop project plans. In releasing our guidelines, we invited proposals from organizations that were not necessarily ready to propose a well-developed project, but were responding because they did not want to miss a funding opportunity.

Widely communicating our funding priorities and the guidelines, but delaying the initial application deadline by three to four weeks, could have been a more effective approach. The Fire Fund could have offered a small pool of funding for emerging needs that required a quick response while delaying the application deadline for the first round of project grants, balancing the need to be responsive to more urgent needs while giving most applicants time to develop stronger grant requests as needs became more apparent within the affected communities. Additionally, in comparing the grant responses between our initial and later deadlines, the later applications were overall much stronger and represented more well-developed projects.

This same sense of urgency translated to the timelines we set for grantees. The Allocation Board decided early on that we did not want our funding to linger at The Denver Foundation or for funded projects to take years to complete. We defined our funding timeline as six months for grant recipients, with the expectation that most projects would be wrapped up by the end of April, 2013. This is another area where a slightly extended timeline could have been beneficial for grantees.

Some of the communities affected by Colorado’s wildfires are remote and mountainous. All are affected by Colorado’s defined seasons, with a cold winter and an extended snowy spring. Many grantees overestimated their ability to complete projects over the winter. Nearly every restoration project funded through the Fire Fund has requested an extension for their project, with weather-related issues cited as the top cause of delays. Additionally, many
of the Fire Fund’s grantees have developed new or modified programming to respond to emerging community needs related to the fires. This has required ramp-up time for many grantees, again necessitating extended timelines. Expecting projects to be completed in six months turned out to be highly ambitious for both the Fire Fund and for grantees. While we still strongly believe that a rapid timeline for disbursement and spending of grants was essential for the Fire Fund to be responsive to community and victim needs, slightly extending our timelines for project grant deadlines (by a few weeks) and project implementation (by a few months) could have been beneficial.

Fire Fund grants to volunteer fire departments for replenishing supplies is one area where the expedited timeline did make sense and proved to be effective. Because these departments often serve as the first line of defense against wildfires and many had seriously depleted their resources during the 2012 fire season, acting quickly could have the benefit of helping prevent the spread of wildfires and positioning departments to be well prepared for 2013. This process went very smoothly and demonstrated the Fire Fund’s ability to meet community needs quickly and thoughtfully.

Overall, the Fire Fund set up its grant-making process to be highly responsive to community needs and fairly flexible. We initially estimated that the Fire Fund would raise and award about $1 million. With funding continuing to flow into the Fund, we had to continue changing our approach to effectively award the increasing amounts of grant funding available. In retrospect, being flexible and adaptable was absolutely essential, and we became more adaptable and flexible as time went on. For other communities facing the prospect of managing funds like the Fire Fund, being highly adaptable and resisting the urge to act too quickly, while being transparent about the timeline are two major lessons learned from our work.

Our grantees have shared other lessons learned, as follows:

- The Fire Fund prioritized services for the uninsured and underinsured for our grants, so determining eligibility has been challenging for grantees involved in providing case management and direct financial assistance. Six months out, many homeowners have not settled with their insurance companies. Some grantees provided the feedback that including this eligibility requirement slowed their progress in providing much-needed services and that more flexibility in determining who was most in need of support would have been beneficial, especially early on.

- For the Fire Fund’s grantees that are providing case-management services, some adaptations in their methods have been necessary because their client base looks very different than the clients typically served by such organizations, especially in terms of income profiles. These clients have required different types of supportive services, like help dealing with insurance companies and builders, which has required a lot of learning and adaptation for case managers.

- For the providers of case-management services, the biggest challenge has been helping clients deal with insurance companies—lack of adequate coverage, delays, complicated processes, and long timelines for processing claims have been the primary challenges. This is an area where local case-management expertise has been effectively combined with disaster expertise from partners like FEMA’s Long-Term Recovery Group and United Policyholders, a Fire Fund grantee for both the High Park and Waldo Canyon fires.
• Volunteer response was highest in the three months after the fire. Developing programs for debris mitigation to capitalize on these volunteer resources early in the aftermath of the fire could help accelerate debris cleanup and reduce related environmental impacts.

• Steep, mountainous terrain and timing related to weather have made restoration efforts difficult. Organizations involved in debris removal, environmental restoration, and rebuilding have faced unfamiliar challenges and higher expenses because of the difficult terrain, often delaying timelines and reducing the spending power of grants.

• Many of the Fire Fund’s restoration grants have been used as matching funding for governmental funding streams. This has helped increase the impact of the Fire Fund’s resources significantly; however, because government projects often move at a slower pace than a nonprofit partner might expect, we have had to be flexible with extending project deadlines for private/public projects to ensure that Fire Fund grants can be used as matching funding.

• Some programs have found that working with neighborhoods instead of individual homeowners has increased their effectiveness for debris cleanup, flood mitigation, and restoration projects, helping reduce the amount of staff time for coordination.

Structure

Statewide Allocation Board

Unlike some natural disasters that are concentrated in small geographic areas, Colorado’s 2012 wildfires affected many parts of the state. This made the creation of a statewide allocation board important for the Fire Fund. Governor Hickenlooper appointed eight community foundation chief executives to serve as the statewide Allocation Board for the Fire Fund.

Selecting community foundation chief executives had numerous benefits, including:

• Significant expertise in grantmaking and nonprofit management
• Significant community connections across the state
• Presence and trust within Colorado’s rural communities
• Politically neutral and geographically dispersed
• Experience in distributing funding in response to urgent local needs, including local and regional disasters and tragedies

The Allocation Board was responsible for setting funding priorities, developing an application process, ensuring that grant awards made through the Fund met the most pressing community needs, and overseeing the final approval of all grant awards made under the Fund. This model worked very well for the Fire Fund, and we recommend this structure for other communities facing similar situations.
Statewide Allocation Board

Local Allocation Committees, overseen by the Allocation Board, have reviewed all grant applications for the fires affecting Larimer County and the Pikes Peak region and have made all of the funding recommendations for the grants listed in this report. For smaller fires affecting other communities across Colorado, the Allocation Board has reviewed and considered applications, seeking local input through the El Pomar Foundation’s Regional Council structure to help make decisions that are most in line with community needs.

From the beginning, the Allocation Board placed a high level of value on local decision-making, and overall we found this structure to be effective. The statewide Allocation Board played an essential role in formally approving the composition of these Local Allocation Committees and in carefully monitoring their work. Among other things, the statewide Board worked to ensure that there was general consistency in the way the local committees did their work and that there were no conflicts of interests.

Project Management

The need for a single point of contact to coordinate all of the Fire Fund’s activities became clear early on. Managing the grantmaking process for $1.7 million is more than a volunteer allocation board can handle, and The Denver Foundation did not have the staff resources to dedicate someone to this project. Therefore, The Denver Foundation hired a part-time, contract project manager to oversee all day-to-day responsibilities for the Fund, serve as a single point of contact, oversee all of the grantmaking activities, and support fundraising needs for the Fund. The Denver Foundation covered all costs related to the project management to help ensure that all funding went directly to Fire Fund grantees. Having a project manager was absolutely essential to the Fire Fund’s work, especially as the scope of the Fund grew. Having a single person review all grant applications and reports was also highly valuable, as it ensured due diligence and added consistency to the grantmaking and stewardship process.

Managing Fundraising

With disasters like devastating wildfires, individuals, corporations, and foundations are looking for ways to support relief efforts. For the Fire Fund, we decided early on that The Denver Foundation had the capacity to manage larger gifts, but could not manage a significant number of smaller donations. As mentioned above, individual donors were first referred to www.helpcoloradonow.org in order to provide support for immediate relief. Those who wanted to support intermediate relief efforts through the Fire Fund and planned to make a smaller gift were generally directed to Network for Good, and then a larger lump sum was deposited to the Fire Fund. Directing smaller gifts to a network set up to manage such gifts made managing the Fund less logistically complicated. Shifting some of the management of the fundraising process to a third-party vendor allowed more attention and resources to be directed to the grantmaking process. For communities with a limited infrastructure to track and manage many smaller gifts, we also recommend considering this approach.
Learning from Emerging Best Practices

Best practices in disaster grantmaking are emerging, and many excellent resources now exist on how to effectively manage such processes. Therefore, it is not necessary to “re-create the wheel,” but instead to learn from others first, with modifications in response to local needs and circumstances. For the Fire Fund, we spent time learning about the approach used for the 9-11 victim compensation process, the Boulder County Four Mile Fire Fund, the response to Hurricane Katrina, and the San Diego wildfire response. Just like all of these efforts, the Fire Fund faced some unique challenges that resulted in modifications based on Colorado’s needs. For example, the Fire Fund was designed to meet statewide needs, which necessitated certain modifications to what worked well for the San Diego wildfire response.

We also found advice from the Federal Emergency Management Agency’s long-term recovery staff to be especially helpful, primarily in terms of identifying our primary funding priorities. These individuals also recommended a slower pace for making initial grants, which in retrospect, was good advice that we should have taken more seriously. The Fire Fund also benefitted from the El Pomar Foundation’s substantial expertise in supporting volunteer fire departments. El Pomar Foundation staff generously reviewed all applications from volunteer fire departments to help ensure that the requests were in line with the Fire Fund’s funding priorities.

Transparency and Accountability

From the outset, building trust through our grantmaking process was of utmost importance. To accomplish this goal, we enacted the following practices:

- **Transparency**: The Allocation Board made transparency a top guiding principle for the Fire Fund, with the expectation that information about all of our work and decisions would be accessible to the communities we were funding, the media, and the public. We made details about our decision-making process public with our grant guidelines and published two detailed interim reports describing our process, summarizing grants, and listing donors.

- **Local decision-making with statewide oversight**: All grant recommendations were made at the local level by local allocation committees for the High Park and Waldo Canyon fires and by a sub-committee of the Allocation Board for applications from the rest of Colorado. The local committees were provided with the grant guidelines and established funding priorities to use in making their decisions. Using that framework, the local allocation committees were empowered to make recommendations that they believed were most in line with their community’s needs. The statewide Allocation Board approved all decisions and in nearly every case, approved the full recommendations of the local allocation committees. We believe this process helped build trust in the outcome of our grant decisions and served as an effective process for approving grant applications.

- **Single spokesperson**: To ensure that the media and other interested parties received accurate information, the Allocation Board appointed its chair as the single spokesperson for the
Fire Fund. The chair of the Allocation Board made himself widely available to the media ensuring that any and all questions about the Fire Fund could be answered completely, accurately, and in a timely manner.

- **Complete and timely distribution:** The Allocation Board committed to distributing 100 percent of the available funding in a timely fashion to address the intermediate needs as identified through the process described above.

We would recommend a similar approach to transparency and accountability to other communities facing similar situations, as we believe that this approach helped build a high level of trust and confidence in our work and ultimately in the grant decisions we made.

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**Resources from the Colorado Fire Relief Fund**

The Fire Fund has established an archive of materials for other communities to use in responding to similar disasters through grantmaking. This archive is available on The Denver Foundation’s website at [http://denverfoundation.org/community/page/fire-relief-fund](http://denverfoundation.org/community/page/fire-relief-fund) This archive includes the Fire Fund grant guidelines, funding priorities, application forms, report forms, and other supporting materials. Other communities are welcome to use and adapt these materials for their own needs without attribution.