READY TO ERUPT

How Can Coalitions & Lead Agencies Avert Conflict?

You never know when you'll be asked to join a coalition.
How can you prepare for this potentially explosive situation?

BY NEIL NOVIK

A community coalition has been working to prevent youth violence in the neighborhood. Someone in the group hears about a grant for coalition programs in youth violence prevention. The grant would be a perfect match for this group. The additional resources would be enormously helpful to put some teeth into its efforts. But there is a glitch: The official applicant must be a nonprofit corporation with tax-exempt status—a section 501(c)(3) organization.

The coalition's steering committee decides to ask the local mental health agency to be the applicant—or "lead agency"—for the proposal. But some coalition members worry about how the coalition will retain control if another organization is the grantee, although they admit they have little experience with grants of this size. Meanwhile, the director of

The 5 Ps of Negotiation

You'll boost your chances of getting what you want in a negotiation if you're:

Prepared. Before you begin, know as much as possible about the needs of all parties.

Poised. Those who become emotional lose points in a negotiation. Those who remain calm win points.

Persuasive. Be able to explain your position and provide support for it.

Persistent. You needn't fight for a point till you're the last one standing. But you shouldn't give in at the first sign of resistance to an issue that's important to you.

Patient. Pressing too quickly to conclude the negotiations may cause you to compromise more than you should and leave you with a hollow victory.

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the mental health agency wonders what risks she's taking by being the official grantee for a project in which another group believes it has the authority to make decisions.

Are there any answers to these concerns? Amazingly, given the recent surge in coalitions, the answers are few. It's time to face the problems head on and forge some solutions. Let's begin by taking a closer look at coalitions.

What Are Coalitions?

The past two decades have seen a dramatic rise in collaborative, community-based approaches to improving family and community life. These initiatives are referred to here as coalitions. They also go by other terms, such as partnerships, consortia, and comprehensive community initiatives.[1] Despite the different names, they have one thing in common: They are collaborative, rather than hierarchical, with decision-making resting more with neighborhoods and communities than with traditional levels of authority.

There are thousands of coalitions nationwide dedicated to working on such problems as drug abuse, teen pregnancy, child abuse, crime, AIDS, poverty, and violence. Many of these coalitions got their starts, or remain healthy, with grants from public or private sources. But grant-givers usually require that a single nonprofit or governmental organization be the official applicant and recipient—the "lead agency"—of the grant.

While some coalitions are incorporated and eligible to receive funds, many are unincorporated or don't have the resources to manage a grant. Sometimes, as in the above example, a coalition seeks out a lead agency. In other cases, a nonprofit organization decides to form a coalition. In either case, it is the nonprofit that receives

the funding. And it's the nonprofit that's legally responsible for a project over which it may have limited control.

Structural differences between coalitions and lead agencies complicate matters even more. Coalition decision-making is usually consensus-driven. In contrast, lead agencies are typically hierarchical, with clear lines of accountability. The coalition is driven by one or two issues, such as crime prevention or community revitalization, and is made up of people who are passionately connected to that issue. The lead agency, on the other hand, has a broader mission than that of the coalition, with other programs occupying most of its energies.

The potential for conflict is great. Since the lead agency is legally and fiscally responsible for the grant, its staff members, at the very least, want to be involved in the coalition's decisions. At the same time, the coalition wants control of the project's direction, budget, and staff. Because of funder requirements, however, the coalition may need to relinquish some power and 'community ownership' of the project to the lead agency.

Indeed, disputes between lead agencies and coalitions often disrupt activities, threaten relationships, and jeopardize the viability of the coalition itself.[2] Yet these issues have been largely ignored in the literature on coalitions and on nonprofit management. While many training manuals on coalition-building allude to the importance of the lead agency role,[3] they give little attention to improving or protecting the relationship between the lead agency and the coalition.

Where Is Conflict Most Likely?

Before we describe ways to avoid common pitfalls, it's important to pinpoint areas of conflict. The most common include:

Personnel. The lead agency, because of its experience with administration and payroll, is often expected to be the employer of coalition staff. But does this mean that the lead agency hires, evaluates, and, if necessary, fires people? Most coalitions would say no. They would argue that the lead agency is used as a convenience and that the coalition must control personnel decisions. The lead agency may see things differently, insisting that all employees follow the same personnel policies.

Such personnel questions are especially troublesome because staff members are so crucial to coalition success. Again, there are few guidelines for making such decisions in grant-funded coalition projects.

Programs. The heart of the coalition's work is to design and prioritize programs. The programs can range from broad public awareness campaigns to focused interventions with "at-risk" individuals. Everyone usually agrees that programming is the coalition's responsibility. But problems may emerge if the lead agency thinks a program conflicts with the grant's purposes or regulations. As the official grantee, the lead agency may feel obliged to disallow programs it considers at odds with the funder's intent.

Coalition members, however, may interpret the funder's intentions differently. They may also argue that, since the funder is supporting the coalition project, only the coalition has authority to make such program decisions.

Fiscal management. As recipient of the grant, the lead agency is charged with managing the money. This includes paying all coalition expenses covered under the grant. It also involves setting up fiscal procedures consistent with grant requirements and the lead agency's own fiscal policy. But community coalitions often include players who don't fit the way the lead agency has traditionally done business.

For example, the lead agency usually requires subcontractors to submit detailed expense records. After it receives these records, it then reimburses the money. But these requirements may appear so cumbersome that community groups could hesitate to apply.

Groups from poor neighborhoods, the focus of many coalitions, may not have the resources to pay now and seek reimbursement later. They may also be inexperienced in such endeavors. Thus, recordkeeping for reimbursement may appear a daunting task.

In such cases, the coalition looks for flexibility around funding disbursement. The lead agency, however,

Members of the coalition may come to the table with entirely different expectations.

may insist on the same requirements it uses for any subcontractor.

The lead agency's fee. Another controversial question is how much money the lead agency should receive for its services. Indeed, budget allocations can be among the most contentious decisions facing the project. While the coalition naturally wants as much of the grant as possible to go directly to its programs, the lead agency may need to charge for expenses incurred in managing the grant. Such expenses may show up as personnel costs (for example, a percent of a business manager's salary), as miscellaneous expenditures (such as supplies, phone, or audit expenses), or simply as "overhead."

While some grants allow for an overhead line in addition to direct costs, the lead agency charge usually comes out of the overall budget. Exact charges are often difficult to determine, but anecdotal evidence suggests that amounts of 5% to 15% of the grant are not uncommon. If the lead agency is providing supervisory personnel for coalition staff, it may want a budget line to cover a percentage of that person's salary as well.

To understand the impact of these budgetary decisions, consider a $100,000 grant which includes a full-time coordinator ($30,000), a half-time support person ($11,500), a project supervisor (10% time, $3,500), fringe benefits (23% of salaries), overhead for the lead agency (8% of the grant, $8,000), and other common budget categories (including office space, $5,000; printing, $2,500; travel, $2,000; supplies, $2,500). These costs, which may be somewhat conservative, equal over $75,000. Thus, less than 25% of the grant is available for direct programming.

Conflict can erupt when coalition members see so much money going to the lead agency. Since they have less experience with grants, they may not understand the lead agency's overhead requirements. Often, they are confused about how such budget decisions are made and what their role should be.

How Can You Keep Conflict at Bay?

Such conflicts have far-reaching implications for coalition success. How can you resolve them or, better yet, keep them from occurring?

The best way to reduce friction is to clarify issues through open discussion. Schedule regular meetings between lead agency and coalition representatives. Develop written agreements specifying ground rules and contingencies. In your initial meetings, focus on the following guidelines:

Define roles. Clarify who is responsible for what. Who will supervise personnel? Who will prepare budgets

and report on them? Who will hire and fire? Who has the authority to make program decisions? Who will develop fiscal procedures, and who will write progress reports?

While the responsibility for some tasks may seem obvious, the discussion should still take place, if only for its educational value. Coalition members will benefit from learning about grant management functions. Lead agencies will gain from a greater understanding of how coalitions operate. The more you spell out basic matters, the freer people will feel to bring less obvious issues to the table.

Clarify how decisions are made. It's important for all parties to have a common understanding of the decision-making process. Is there a steering committee? Who gets to vote? Does the lead agency have a vote? Does it have any veto power and, if so, under what circumstances?

Coalitions, especially young ones, tend to shy away from voting. Instead, they often seek consensus (sometimes having an unclear sense of what "consensus" means). Thus, questions of voting privileges and veto power can be difficult to grasp. Nevertheless, it is vital for all parties to agree on the process.

Explore money issues. It's not surprising that money is a dominating force in coalition projects. Decisions surrounding money management can be major issues of contention. How will money be paid? How will it be tracked? What will it be used for? Coalitions and lead agencies must confront such questions. They must agree on how money will be disbursed and what the lead agency will charge for its expenses and management services.

How Can You Improve Discussions?

Even with the best intentions, discussions between coalitions and lead agencies can be difficult. This is because of basic differences in motivation. Coalitions and lead agencies are driven by different forces.

Coalitions are usually brought together by a single or small number of community issues. Coalitions are accountable to their communities.

A typical lead agency, on the other hand, has had much greater longevity. It is directly accountable to its board. Its mission is more broadly defined than that of the coalition.

The language and customs of both groups may also be quite different. The lead agency's employees are comfortable with nonprofit management. But coalition members could include such diverse groups as businesspeople, police, youth, clergy, and human service professionals. They come to the table with entirely different expectations about how things get done, who makes decisions, and what things cost.

> *Coalitions may include players who don't fit the way the lead agency does business.*

To bridge some of these gaps, consider the following guidelines:

Keep your mission in mind. Whether you represent a lead agency or coalition, be sure to re-examine your mission in the context of the grant that brought you together. How does the grant further or even change the coalition's role within the community? How do the new responsibilities affect the lead agency's relationship with its constituency? How does each group's mission enhance the other's? Open discussion of these questions will go far in building a solid relationship.

Involve the lead agency's board. The board has ultimate authority over decisions about the lead agency's role in the coalition. Make a special effort, therefore, to bring the board and coalition together. Invite coalition representatives to talk to the board about their programs. Ask board members to address gatherings of the coalition. Such presentations will educate boards and coalitions on their mutual roles, making the staff's job easier.

Learn to live with change. Uncertainty is the rule in coalition-building. New issues constantly challenge traditional ways of doing business.[4] It's important, therefore, to give people the chance to discuss their feelings about change. Relationships between the lead agency and coalition depend on the ability of each to compromise, innovate, and adapt together as things change.

Be empathic. In all discussions, try to understand the motives of others. Coalitions and lead agencies have different natures, but in working for a common goal, it's essential to perceive the other's viewpoint.

Appreciate each other. Finally, don't miss the potential benefits that lead agencies and coalitions can bring to each other. These benefits go beyond the grant project on which you're working. For example, the lead agency's access to computer technology could be of great value to coalition members, who otherwise may have limited access. Similarly, the coalition may help the lead agency broaden its constituency base.

Successful coalition projects depend on many players: community members willing to devote time and energy to improving their neighborhoods and towns; lead agency staff and boards who see the value of such work and are willing to participate, despite challenges to traditional paradigms; and funders who encourage such community-driven projects. By understanding the inherent dilemmas of these complex relationships, we can work together to develop sensible guidelines which do not sacrifice flexibility, accountability, or community ownership. ∎

Footnotes

[1] See Connell and Himmelman in "References."
[2] See Novik and Fleishman in "References."
[3] See the manuals listed under "References."
[4] For more on managing change, see Eadie, McKay, and Rosenberg in "References."

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*Starred publications are available through the Society for Nonprofit Organizations' Resource Center. For more information, see the *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (608-274-9777).

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