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CUSTOMER SPOTLIGHT
Headwaters Foundation for Justice

HEADWATERS
FOUNDATION *for* JUSTICE

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—Julie Remmelts, Vice President of Operations

Headwaters Foundation for Justice strives to use community-led grantmaking to undo "systems of oppression" in the state of Minnesota. As the foundation transitioned to integrated solutions for fundraising, fund accounting, and grantmaking, Headwaters could operate with greater efficiency and effectiveness—and confidently implement two rapid-assistance funds that raised $4 million as the crises of COVID-19 and George Floyd's murder in Minneapolis unfolded.

Foundation responds to back-to-back crises with integrated cloud-based solutions

Headwaters Foundation for Justice is proud to "do philanthropy differently." By investing in grassroots organizations across Minnesota, Headwaters taps the power of relationships to raise and move money in a collective mission to "amplify the power of community to advance equity and justice." Their innovative approach also influences who raises and distributes funds, with community members invited to lead much of the grantmaking work.

Headwaters Foundation for Justice is powered by:

Blackbaud Raiser's Edge NXT®

Blackbaud Financial Edge NXT®

Blackbaud Grantmaking™

Blackbaud Merchant Services™

One key component of their efforts—Headwaters' Giving Project Program—annually creates a cross-class, multiracial cohort of about 20 Minnesotans who typically raise and award $150,000 or more for organizations led by and for Black, Indigenous, and people of color (BIPOC). With training, the cohort develops a shared understanding of race, class, and power within society, which supports their collective action in fundraising and grantmaking, areas that are new to many of the participants.

Headwaters does philanthropy differently because they want to do it better. So it's not surprising that the foundation's staff also seized the opportunity to improve their technology and better serve their constituents by shifting to integrated systems for fundraising, fund accounting, and grantmaking—all orchestrated by one trusted technology partner: Blackbaud.

Taking the First Step to a Deeper Partnership

Looking back, Headwaters staff members are thankful they completed the overhaul and consolidation of their software technology with Blackbaud by the start of 2020—though they couldn't have foreseen the profound challenges and international attention the foundation would face that year.

$4M

raised with two rapid-response funds made possible with Blackbaud solutions for fundraising, fund accounting, grantmaking, and merchant services

"We knew we needed to upgrade our systems," recalled Vice President of Operations Julie Remmelts, who initiated the changes after she joined Headwaters in 2015 "One of my roles was making sure that our technology was set up for our growth and was moving forward."

The first key step: Migrating to the cloud-based fundraising solution Blackbaud Raiser's Edge NXT from an earlier, database-driven version of Raiser's Edge. Once that was accomplished, Remmelts said, staff agreed, "This is everything that we've been hoping for in a fundraising system."

They also agreed that they could work smarter by using one technology partner—not three—for their fundraising, fund accounting, and grantmaking solutions. And the choice of which partner to consolidate with seemed easy, given their success with Raiser's Edge NXT and the promise they saw in a deeper partnership with Blackbaud.

Their next step would be in switching from another provider's problematic grantmaking software to Blackbaud Grantmaking. Afterward, they would complete the overhaul by adopting Blackbaud Financial Edge NXT to advance their fund accounting.

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— Julie Remmelts, Vice President of Operations

Empowering the Entire Team

Blackbaud Grantmaking, Financial Edge NXT, and Raiser's Edge NXT are all leading solutions with user-friendly features, including intuitive dashboards that have proven to be a game-changer for the way Headwaters works. "Blackbaud dashboards empower users to find their own information," Remmelts said. "They are just so easy."

Dashboards also boost reporting functionality. "Dashboards in Blackbaud Grantmaking now provide our entire team with pertinent information all in one space, and they are customizable. My dashboard has different information than our director of individual giving as they are tailored specifically to each user."

Headwaters' technology transformation improved the user experience for everyone, including their community volunteers, who benefit from the easy-to-use, streamlined setup in Blackbaud Grantmaking with scorecards that help them review grant applications consistently. "The Grantee Portal in Blackbaud Grantmaking helps make it a smooth and simple process for reviewers," she said.

With their solutions working together in greater harmony, Headwaters also realized process improvements that included eliminating duplicate data entry. "No one wants to enter anything in two or three times," Remmelts said. "It allows for potential error, it is extra time, and it's just not efficient."

In the past, Headwaters staff would need 12 to 15 work hours a month to copy entries on new donations in Raiser's Edge NXT over to the financial software previously used by Headwaters and the foundation's accounting firm. Once Headwaters adopted Blackbaud Financial Edge NXT, the transfer took a click of a button, and an hour or less of review, essentially eliminating duplicative data entry work and the added risk of errors and reconciliation. In addition to the staff time saved, their move to Financial Edge NXT also saved 40% in external accounting fees a year, Remmelts said.

40%
in external accounting
fees a year

and

up to 14
staff work hours
a month

SAVED
by integrating fundraising and
fund accounting solutions

Streamlining for Success

Benefits that Headwaters Foundation realized with Blackbaud solutions include:

Blackbaud Raiser's Edge NXT

✓ Game-changing dashboards

✓ Access from any device, anywhere

✓ Easy to generate reports

✓ Action-triggering insights

✓ Role-based work centers

Blackbaud Grantmaking

✓ Intuitive process for reviewers

✓ Easier process for grantees

✓ Ensures compliance

✓ Encompasses all grantmaking functions

✓ Powerful reporting

Blackbaud Financial Edge NXT

✓ Stronger internal controls

✓ Direct payments, electronic checks

✓ Facilitates tracking, analysis

✓ Saves staff time, accounting fees

✓ Easier reports and audit

Shared Benefits

✓ Similar intuitive setup across solutions

✓ Easy onboarding, training

✓ Financial records sync with other solutions

✓ Greater efficiency overall

✓ Quick transition to remote work

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Vice President of Operations

Similarly, the Expense Management feature in Financial Edge NXT streamlines the payment process between the grant program manager and finance staff members while providing greater visibility into the status of grant payment requests across teams. Expense request data can auto populate, again eliminating data re-entry and related errors. Plus, grant agreements can be attached to expense requests, which also carry a record of approvals, all of which simplifies the audit process.

Creating Rapid-response Funds with Confidence

It would be hard to calculate all the efficiencies Headwaters has realized with integrated Blackbaud solutions. "Being able to have all of our systems so we can just toggle back and forth saves us so much time," Remmelts said.

She cannot imagine how the foundation would have handled COVID-19 and the response to Floyd's murder if they hadn't overhauled their technology beforehand.

The last piece—adopting Financial Edge NXT—was critical not only because it integrated with Blackbaud's fundraising and grantmaking solutions but also because it supports features such as direct payments and electronic checks. With those advancements, and with Blackbaud solutions supported in the cloud, staff could seamlessly switch to remote work and implement a COVID-19 rapid-response fund to support communities throughout Minnesota in the first weeks of U.S. lockdowns in spring 2020.

And when Floyd's murder by a Minneapolis police officer threw their home city into upheaval, sparked protests against police brutality across the globe, and thrust their organization into the media spotlight, they could support a second rapid-response fund keyed to social justice transformation.

"Headwaters Foundation for Justice could launch two back-to-back rapid-response funds only because we had the systems and infrastructure to support the increase of donations and community grants," Remmelts said. "We raised over $4 million dollars through our Communities First Fund and our Transformation Fund. We couldn't have done that without the efficiencies of having integrated systems with Blackbaud. Before, we would have never had the confidence to say, 'We can take this on, and we have the systems to handle it.'"

They also could lean in to get resources and support to grantees across the region, Remmelts said. "With the support and design of Blackbaud's products, Headwaters could show up to support our community in a crucial moment for BIPOC-led organizations doing powerful movement-building work."

Secure funding, steward it effectively, and grant it strategically.

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   Vice President of Operations

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