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**THE PHILADELPHIA FOUNDATION PARTNERS WITH
THOMAS SCATTERGOOD BEHAVIORAL HEALTH FOUNDATION**

Philadelphia, PA. – (1/06/2010) – [The Philadelphia Foundation](http://www.philafound.org) today announced that it will partner with the [Thomas Scattergood Behavioral Health Foundation](http://www.scattergood.org) to provide management oversight of Scattergood’s financial investments.

The partnership allows Scattergood to streamline its day-to-day investment management responsibilities and to focus on its mission of making grants to support behavioral health initiatives.

“This partnership builds on a three-year working relationship which we’ve had with Scattergood,” said R. Andrew Swinney, president of The Philadelphia Foundation. Since 2006, “back office” services such as accounting, benefits management and payroll processing for Scattergood have been administered by The Philadelphia Foundation.

“The expanded role is in keeping with our mission to sustain the region’s nonprofit sector and build community philanthropic resources,” Swinney said.

Under the partnership, Scattergood will place approximately \$14 million in assets in an investment pool that will receive competitive returns in a manner consistent with the organization’s Quaker values. Screened out will be investments in industries whose revenues are generated through tobacco, the military, firearms and gambling. The Philadelphia Foundation will manage the investments, perform the accounting and report as required to state and federal agencies.

The agreement between the two foundations took effect in late 2009.

“Perpetuating our behavioral health grant-making mission is what’s most important, and that’s what this allows us to do,” said Joseph Pyle, Scattergood’s president. “As a small foundation, this allows us to be cost-effective and efficient.”

“We will be exploring ways to build the number of organizational participants in the socially responsible pool,” Pyle added. “We would like to see this lead to other opportunities for socially responsible investors.”

Pyle said the move allows Scattergood to tap into the expertise available through The Philadelphia Foundation.

“We think highly of The Philadelphia Foundation based on our existing partnership with them,” Pyle said. “Collaborating with The Philadelphia Foundation brings us significant expertise on the region’s nonprofits and their governance. Using the professional financial expertise available through the Foundation for our administrative services has allowed us to provide greater transparency in our operations. Scattergood will continue to have an independent audit of our books, which in these times has been especially important in maintaining the trust of our supporters.”

“For small- to mid-sized foundations, handling the administrative functions such as payroll can be time-consuming and detract from achieving the overall mission,” Pyle added. “Devoting resources to this takes away funds that could be going into provide direct service.”

Pyle also said that outsourcing these functions also contributes to succession planning for an organization, allowing key aspects of the operation to continue if personnel change, allowing for a smooth transition.

“Critical to Scattergood’s agreement to this new partnership is that the Scattergood board will retain control over distribution of its own targeted grants to address pressing behavioral health needs in innovative ways,” Pyle said. He added that the agreement also is expected to generate collaborative grant partnerships.

“Our expanded collaboration will enhance The Philadelphia Foundation’s ability to look at the behavioral health aspects of issues it addresses through its grantmaking,” Pyle noted.

The two organizations also will work together on convening and leading dialogue about behavioral health issues, in keeping with The Philadelphia Foundation’s community leadership role.

“We can foresee opportunities to partner with Scattergood on a variety of community initiatives addressing behavioral health throughout the region,” Swinney said. “We’re always looking to partner with our donors to maximize the strategic impact of their contributions and with non-profit organizations to generate effective working relationships.”

The move makes particular sense given the ongoing turbulence of the national economy, Pyle noted.

“This represents what needs to happen in the philanthropic sector,” Pyle noted. “We would hope that this would inspire other organizations to look at putting their dollars together for the good of the Southeastern Pennsylvania region.”

The Philadelphia Foundation provides similar administrative and management support services for other private foundations and nonprofit organizations.

About The Thomas Scattergood Behavioral Health Foundation

The Thomas Scattergood Behavioral Health Foundation was established in 2005 as a Quaker-based philanthropic grant-making foundation whose mission is improving the system through which behavioral health is delivered in the Philadelphia region. It developed as a result of the conversion of the non-profit Friends Hospital at 4641 Roosevelt Boulevard in Philadelphia to a joint venture with Horizon Health Systems of Lewisville, Texas.

The Scattergood Foundation takes its name from a 19th-century Philadelphia Quaker minister who spoke out against the harsh conditions faced by the mentally ill in his era. Scattergood advocated for a philosophy of humane treatment that resulted in the 1813 founding of Friends Hospital as the nation’s first private psychiatric hospital.

The Scattergood Foundation seeks opportunities for productive dialogue and learning within the behavioral health field. It encourages leadership and collaborative endeavors through awarding targeted grants to address pressing behavioral health needs in innovative ways.

Recent grants awarded by the Foundation have advanced journalism regarding mental health, supported academic research and behavioral health scholarship and have aided initiatives that provide preventive care and effective treatment for those with mental illness.

About The Philadelphia Foundation

The Philadelphia Foundation is Southeastern Pennsylvania’s leading center for community philanthropic engagement.

For more than 90 years, the Foundation has been committed to improving the quality of life in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties. As a public charity

community foundation, it manages more than 775 charitable funds, maximizing the strategic impact of charitable contributions.

It supports the intentions of individual, family, business and organizational donors who have established permanent charitable funds to help the region meet the challenges of changing times. The Foundation invests and administers these funds and awards the distributions -- about \$20 million a year to nearly 1,000 area organizations – as grants and scholarships.

The Foundation's work is overseen by a volunteer board of leading citizens and run by professionals with expertise in the region's needs.

Betsy Anderson, Communications Officer

THE PHILADELPHIA FOUNDATION

THE POWER OF ENDLESS POSSIBILITIES

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