

CASE STUDY

# The Pittsburgh Foundation

## Building a community foundation technology blueprint

The Pittsburgh Foundation works to improve the quality of life in the Pittsburgh region by evaluating and addressing community issues, promoting responsible philanthropy and connecting donors to the critical needs of the community.

As part of that mission, the foundation manages over 2,200 charitable funds through its Finance and Investment Team, which includes trust assets, internally managed funds and nearly 70 advisors through its third-party investment manager program. In order to manage all of these multiple entities and funds, the foundation utilizes an extensive accounting program to provide fund-level accounting.

"Before we invested in technology, the process for managing our monthly accounting required

manually entering account statements from custodians into spreadsheets so we could reconcile activity, fees, income, gains and more," said Jay Donato, Investment Manager for the foundation. "It literally took one full-time person an entire month to complete the reconciliation process. And, when they were done, they had to start all over again the next day." In the same period, the foundation's third-party investment manager program was growing rapidly, creating even more volume and an unsustainable amount of manual work. "We were faced with the decision to either hire another person or seek a technology solution that could make the third-party investment manager program feasible," said Donato. "Automating the process was really the only cost-effective strategy that made sense."

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Pittsburgh, PA

**Description:** Community Foundation

**AUM:** \$1 billion

**Implementation:** 2015

### BACKGROUND:

- 75 year-old community foundation, managing over 2,200 charitable funds
- The Finance and Investment Team was seeking a technology solution to streamline accounting and reporting
- Looking to grow their third-party investment manager program

### BENEFITS:

- Automates the Foundation's accounting, reconciliation and reporting processes
- Shortens processes from a month to less than a week
- Improves accuracy of information via direct data feeds
- Provides scale to grow third-party investment manager program

Accordingly, Donato and his team conducted a detailed review of available technology solutions and found a variety of choices. "Some of the platforms were cost-prohibitive, while the others were too simplistic and only focused on the basics for an advisory firm," Donato said. "To some extent, we are similar to traditional financial advisors. But, because we are a community foundation, we have different needs. Black Diamond was the only platform that could customize its technology to meet our specific requirements at a price point that provided real value."

Since implementing Black Diamond in 2015, Donato is no longer dependent on third-party investment managers to send along the data needed for calculating returns or tracking activities. "With Black Diamond, we get that data ourselves and automatically upload it into our systems, saving tremendous amounts of time. Likewise, Black Diamond enables us to automate our custodial statement process from the assets we manage internally. This is particularly helpful for the alternative assets, such as hedge funds and private equity, which were often late getting in and routinely inaccurate."

Ultimately, through Black Diamond, what used to take a month to reconcile, process and report,

now only takes the team 4-5 days. "The time savings has been critically important as we grow our third-party investment manager program, as well as streamline our overall operations," he said.

Going forward, Donato and his team are looking to leverage Black Diamond's billing engine to automate and streamline that process as they move to a basis points model for internal fees, as well as further customize the platform to meet the unique needs of a community foundation.

"We are very impressed with Black Diamond's willingness to work with us on this journey," Donato said. "While it wasn't always a smooth road, we were very impressed with the team for working diligently with us to get the technology to where we needed it to be. We believe this project can be a template for other community foundations and are excited to be able to partner with Black Diamond to build a foundation network. We believe foundations can learn from each other in order to create optimal outcomes for constituents and deliver on the mission to improve the lives of people in our respective communities."

*To learn more about The Pittsburgh Foundation, check out the website at [www.pittsburghfoundation.org](http://www.pittsburghfoundation.org).*

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## FOR MORE INFORMATION

If you'd like to learn more about how the Black Diamond Wealth Platform can support your business, please call 1-800-727-0605 or email [info@advent.com](mailto:info@advent.com).

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