THE PHILANTHROPY TOOLKIT

An Introduction to Giving Effectively

THE STANFORD UNIVERSITY
EFFECTIVE PHILANTHROPY LEARNING INITIATIVE

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ACTIVITY INDEX

Below is a quick reference list of the worksheets (on blue pages) and the EPLI Philanthropy Planner (on yellow pages). Additional worksheets and Philanthropy Planner pages can be downloaded from our website:

pacscenter.stanford.edu/toolkit

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INTRODUCTION

WHAT IS THE PHILANTHROPY TOOLKIT?

The Philanthropy Toolkit is comprised of six sections designed to provide you with the tools and resources you need for a successful philanthropic journey. This process can be completed with a trained facilitator (such as a wealth advisor) or on your own. You may wish to include family members as well.

We created this toolkit in collaboration with professional advisors across the United States in response to the philanthropic questions and challenges their clients face every day. The activities and resources in each section were curated and created by the Effective Philanthropy Learning Initiative (EPLI) within the Stanford Center on Philanthropy and Civil Society (Stanford PACS).

This toolkit is available online at:
pacscenter.stanford.edu/toolkit

WHO IS THIS TOOLKIT FOR?

This toolkit is designed for **high-capacity donors** interested in stepping into or continuing their roles as effective philanthropists. *Effective philanthropists go beyond writing checks to nonprofit organizations*. They are ready to engage in sustained, significant support for effective organizations aligned with their philanthropic missions. This type of giving is personally meaningful as well as socially impactful.

This toolkit is also designed to educate the wide range of **professional advisors** who help donors manage their assets in alignment with their goals and values, such as wealth advisors, estate planners, tax attorneys, etc. Special materials for advisors can be found under the “Advisor’s Manual” tab.

Note: Nonprofit professionals and other advisors often refer to a segment of donors as “high-net-worth.” However, we believe that net worth is only one asset class. There are situations in which your time, skills, and social capital can be deeply valuable. For this reason, we refer to donors who are interested in significant and sustained support of the nonprofit sector as “high-capacity donors.”

WHY USE THIS TOOLKIT?

Creating substantive social impact and maximizing the value of your philanthropic dollars takes careful planning and reflection. Without extensive experience in the social sector, the process can seem overwhelming. This toolkit guides you through each stage of your philanthropic planning, providing you with resources and activities to ensure that your philanthropy can positively contribute to improving the world around you, while also adding more meaning to your own life.

WHAT DOES IT MEAN TO GIVE EFFECTIVELY?

Effective philanthropy supports organizations that are likely to meet their and their donors' shared social or environmental goals. It requires donors to:

- undertake a thoughtful decision-making process
- identify their own philanthropic goals and values
- conduct due diligence before selecting organizations to fund
- ensure that organizations are supported in a way that allows them to thrive and strategically design their best future

This toolkit will guide you through each step and major decision point of an effective philanthropic process.

HOW CAN YOU USE THIS TOOLKIT?

We encourage you to make this toolkit work for your needs and financial situation. You can work through it in order or jump to the specific sections that apply to the current stage of your philanthropy. Some of the activities can be completed in one hour; others may take longer. Spend as much time as you need to achieve the objectives in each section—you do not need to come up with all the answers in a single sitting, or even in a single year.

Working through this toolkit with the guidance of a professional advisor can help you integrate your philanthropic planning into your broader wealth management strategy. Your advisor's expertise on financial structures and estate planning strategies, as well as knowledge of your personal finances and goals may be helpful at various points in the toolkit.

Continued on the following page.

Our goal is to help you transform your philanthropic vision into action without getting stuck in the planning stage of the process. Many successful philanthropists find it helpful to organize their philanthropy into cycles—they create a three-year or five-year giving plan, use that time to test their plan and learn in the field, then revisit and adapt the plan before continuing the process. We encourage you to create a general timeline for yourself before beginning the toolkit.

> **We believe that there is no single correct way to be a philanthropist.** What matters is that you make informed, thoughtful decisions, and continue learning along the way.

There are two kinds of interactive pages in this toolkit for you to write on if you wish:

WORKSHEETS

- Activity pages for brainstorming and reflection.
- Located throughout each section on blue paper.

YOUR EPLI EFFECTIVE PHILANTHROPY PLANNER

- Activity pages for you to summarize all you've learned in each section and to use as a reference for yourself or to share with your advisors, family members, or others. You can pull out these pages and store them in the pocket at the back of the toolkit for easy reference.
- Located at the end of each section on yellow paper.

Note: All of the interactive Worksheets and EPLI Philanthropy Planner pages can be accessed online and downloaded on our website at:
pacscenter.stanford.edu/toolkit

THE PHILANTHROPY TOOLKIT PRIMER

This primer will help you navigate the toolkit. It describes each section's key topics and addresses the questions frequently asked by donors.

SECTION 1: HOW DO YOU FIND YOUR FOCUS AREAS?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIONS
1.1 **Clarify your motivations and values**	Provides reflection questions and a list of values to help you identify what you want from your giving and the values that will ultimately guide your philanthropic decisions.	• Where do I start? • How do I create a framework for making giving decisions? • How do I make giving decisions?
1.2 **Narrow your focus areas**	Provides a list of issues to help you identify the key focus areas of your giving.	• How do I decide which issues to focus on? • I think I am spread too thin. How can I focus on the issues I care about? • How broad or narrow do I need to be with my giving? • How do I stay focused but also remain flexible?
1.3 **Consider adding value beyond your funding**	Provides reflection questions for considering contributing your time, talent, and ties to your selected issues.	• How do I incorporate volunteering into my philanthropy? • Do I have to restrict my philanthropy to financial gifts? • Should I volunteer or serve on a board? • How might I tap into my personal and professional networks to assist an organization?

SECTION 2: WHERE CAN YOU LEARN MORE, SEEK PROFESSIONAL ADVICE, AND ENGAGE OTHER DONORS?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIONS
2.1 **Learn more about effective philanthropy**	Suggests further resources to learn about philanthropy.	• What additional resources are there for me to learn about philanthropy?
2.2 **Seek advice from professionals**	Explains the different professional roles, organizations, and networks that can help you through the philanthropic process.	• Do I need professional advice? • What kinds of professionals can help me? • What resources are available to guide me? • How do I find professionals to support me?
2.3 **Learn with other donors**	Introduces you to an online database and resources to help you learn more about philanthropy and about your selected issues.	• How can I learn from others who are also interested in my focus areas? • How can I share what I learn in my philanthropy?
2.4 **Collaborate with other donors**	Explains the different ways in which you can approach collaboration with other donors.	• Should I collaborate with others in my sector? • How can I collaborate with other funders? • Do I have to decide about collaboration right away? • What is "participatory philanthropy" and how do I know if it's right for me?

SECTION 3: HOW DO YOU INVOLVE YOUR FAMILY?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIOW
3.1 **Involve your family in your philanthropy**	Helps you think about including your family members in your philanthropy, explains the common roles family can play, and offers suggestions on navigating family dynamics.	• How do I begin conversations with those I want to involve? • How do I incorporate a succession plan or scale up others' participation? • How do I clarify roles and responsibilities with everyone? • How do I go about turning giving into a family value or tradition?
3.2 **Involve the next generation**	Provides guidance on how to engage in discussions about and practice philanthropy with the next generation.	• How do I introduce my children or grandchildren to philanthropy?

SECTION 4: HOW DO YOU STRUCTURE YOUR GIVING?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIONS
4.1 **Determine your philanthropy budget**	Helps you determine how much you would like to allocate toward philanthropy.	• What should I consider when I am deciding how much to give? • What kind of taxes should I discuss with my advisor or CPA?
4.2 **Select your giving vehicle(s)**	Discusses the most common giving vehicles and the considerations for selecting a vehicle, and helps you build an action plan for setting up your giving vehicle(s).	• I know some people have foundations. Is that the only way I can give? • What are the different giving vehicles? • How do I choose a giving vehicle? • Which giving vehicle is best suited to my personal, financial, and charitable preferences? • What are the advantages and limitations of different vehicles? • How do I maximize both my tax benefits and the size of my contributions? • I want control over my philanthropy. Which vehicle works best for me? • I don't have a lot of time to manage my giving. What is the simplest way to give? • I'm not yet ready to give away all the money I have set aside for charity. What are my options?

SECTION 5: HOW DO YOU FIND AND VET AN ORGANIZATION?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIONS
5.1 **Find focus-aligned organizations**	Guides you through the process of finding potential organizations, including seeking advice from peers and professionals, researching online on your own, and getting third-party recommendations.	• How do I find organizations? • How much time should I spend on this? • Are there platforms that recommend good organizations by issue? • Should I fund organizations that my family and friends support?
5.2 **Understand how organizations achieve their intended outcomes**	Helps you understand and categorize the work of the organizations you have found, in order to shortlist several for due diligence.	• How can I fund my issue in different ways? • What are the different kinds of nonprofit/social organizations out there? • How should I shortlist organizations?
5.3 **Vet organizations**	Walks you through the process of conducting due diligence on an organization and navigating any red flags that might surface, in order to make a final decision about making a gift.	• How do I vet an organization? • What questions should I ask an organization before making my gift? • If I am not giving a significant amount, what information should I find on my own about the organization? • How much information is enough to make a decision about supporting an organization? • How do I choose one organization if several seem similar? • What if I encounter something negative about the organization? Is it a big deal?

SECTION 6: HOW DO YOU MAKE GIFTS AND TRACK YOUR GIVING?

SECTION	SUMMARY	FREQUENTLY ASKED DONOR QUESTIONS
6.1 **Make gifts to organizations you selected**	Explains the different types of organizational funding as well as the considerations when making a major gift, and assists you in building a funding plan to make philanthropic allocations to the selected organizations.	• How do I know which of an organization's programs/services to support? Do I have to specify? • How do I know whether my contribution is considered a major gift? • What should I receive from the organization to document my gift? • How can I get more involved than just making a donation?
6.2 **Track your philanthropy**	Explains how you can understand the impact of your philanthropy and suggests ways to stay current on the organizations and issues you support.	• How should I think about impact in my giving? • How will I know whether my contribution made a difference? • How do I know if the organization spent my resources on the program I want to support? • Where can I find more information about the organizations and issues I support? • How do I learn more about my selected issues when I have limited time? • How much time should I volunteer? • I already serve on a board. Is that enough?
6.3 **Consider expanding or refining your giving**	Suggests ways for you to further support your focus areas or part ways with organizations you have supported in the past.	• How can I step up my giving to a particular organization or focus area? • How do I tell an organization that they should no longer expect a donation?

ADVISOR'S MANUAL

HOW CAN ADVISORS USE THIS TOOLKIT?

This toolkit is designed for advisors interested in integrating philanthropic planning into their practice to better meet the needs of their clients. Philanthropic planning emphasizes developing a philanthropic focus and vision, understanding how to provide meaningful support to organizations working on social and environmental issues, and, if your clients wish, establishing a personal legacy.

This Advisor's Manual section gives you some context on the research we conducted with advisors, as well as some client-oriented conversation starters. The following six sections of the toolkit provide detailed information and resources and use interactive activities to guide you and your clients through the philanthropic process. Your client may complete the toolkit independently or with your facilitation. Some clients may want to include their family.

We encourage you to make this toolkit work for your client's unique needs. You can work through it in order, or you can jump to the sections that apply to the current stage of your client's philanthropy. Spend as much time as your client needs to address the objectives in each section. You do not need to have all the answers. Your goal as a facilitator is to encourage your client to make informed, thoughtful decisions and to continue learning along the way.

HOW CAN THIS TOOLKIT HELP YOU AND YOUR CLIENTS?

We created this toolkit in collaboration with hundreds of advisors across the United States in response to the philanthropic questions, challenges, and opportunities their clients face every day. High-capacity individuals are increasingly requesting guidance on their philanthropy, and often engage an ecosystem of advisors who are uniquely positioned to provide this support—including wealth advisors, tax and estate lawyers, etc. Clients want to navigate philanthropic planning with advisors who are already familiar with their circumstances.

Too often, the philanthropic conversation is overlooked or left to the last few minutes of a client-advisor meeting. Many advisors feel uncomfortable raising the subject of philanthropy because they don't have a clear framework to use with their clients to walk them through the process. Advisors are trained to focus on tax optimization and ease of use in charitable planning, but this does not necessarily lead to the most values-based, effective approach for the clients. Despite these challenges, there are many benefits for advisors who are ready to engage in more meaningful, informed philanthropic discussions with their clients.

Advisors are well positioned to help clients balance the natural tension between the fear of running out of money and the desire to have an impact during their lifetime. In many cases, clients don't realize how much they can give and end up looking back over lost opportunities. As a trusted advisor, you can encourage your clients to reflect on their motivations and goals, prepare them to engage the nonprofit sector, and help them develop a robust, value-aligned giving strategy that fits their unique needs.

In an increasingly competitive landscape, the ability to provide philanthropic advice can help you:

- deepen your personal relationships with clients and their families
- differentiate your practice by offering philanthropic guidance that is in high demand and low supply, giving you a comparative advantage over advisors who are not providing this service
- retain current clients and their next generations
- expand your client base to include other high-capacity individuals who want to integrate philanthropy and wealth planning
- help your clients make the world a better place according to their values
- share in the pride of maximizing your clients' philanthropic impact

Our research indicates that high-capacity donors find tailored, philanthropic conversations with their wealth advisors extremely helpful.

GETTING THE CONVERSATION STARTED

Since many clients don't realize that their advisors can offer philanthropic guidance, it is typically the advisor who must broach the topic of philanthropy. Although this can seem like a difficult hurdle, all you need to do is ask a few simple questions. While beginning the conversation on a technical, financial note can be more comfortable for you as an advisor, it is important to go beyond this approach and discuss a client's personal values and goals.

Below are some possible conversation starters and follow-up questions you can use to explore your client's interest in philanthropy as well as deepen your relationship with them. Mix and match questions as you see fit.

1. Tell me about yourself/your family	a. What are some values that you and your family share? b. How might these values inform your wealth planning process? c. Is this something you would like to explore further in your wealth planning?
2. What are you (and your family) passionate about?	a. Are you aware of any organizations that are working on these issues? b. Are you involved with any of these organizations? c. Is this something you would like to explore further in your wealth planning?

<table>
<tr><td>3.
Tell me about some important life experiences that have affected you.</td><td>a. How might these experiences inform your future life plans and goals?
b. Is this something you would like to explore further in your wealth planning?</td></tr>
<tr><td>4.
What aspects of your identity are important to you?</td><td>a. How do those aspects affect how you see your wealth?
b. Is this something you would like to explore further in your wealth planning?</td></tr>
<tr><td colspan="2">5.
Is philanthropy important to you right now, or is it something you'd like to revisit in the future?</td></tr>
<tr><td colspan="2">6.
Would you like to consider the tax benefits of charitable giving?</td></tr>
<tr><td colspan="2">7.
Have you given before? Approximately how much, how frequently, and to what sorts of causes? Do you have a giving vehicle set up? If yes, what prompted you to set it up? Do you feel it meets your needs?</td></tr>
<tr><td colspan="2">8.
How much time do you usually spend on your philanthropy on a monthly or annual basis?</td></tr>
<tr><td colspan="2">9.
What questions do you have about philanthropy?</td></tr>
</table>

Once you have successfully broached the topic of philanthropy, you can explain that you are able to guide clients through the giving process. You can compare their questions and primary concerns with the Philanthropy Primer chart in the Introduction to identify which modules to start with in the toolkit.

You can also use the EPLI Philanthropist Resource Directory (PRD) on our website to deepen your own philanthropic expertise and connect clients with more than 280 organizations supporting high-capacity donors. Resources listed in the PRD include peer networks, donor education providers, and research on a broad range of topics.
pacscenter.stanford.edu/prd

THE RESEARCH BEHIND THIS TOOLKIT

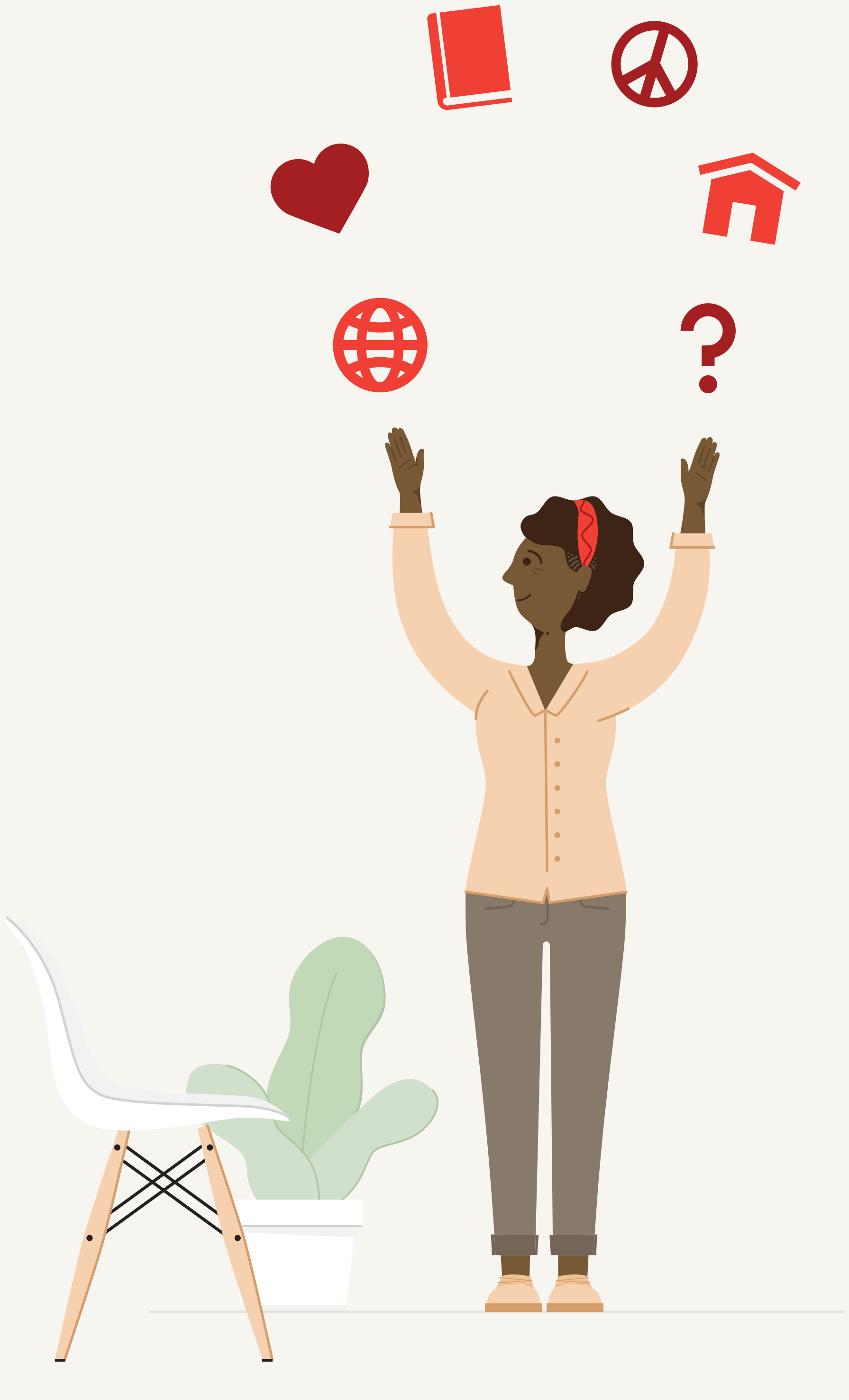
In the first phase of our project, EPLI interviewed a range of financial intermediaries to better understand where and how to improve philanthropic guidance in the financial planning process. In the second phase, we primarily worked with wealth advisors who often serve as clients' financial strategists and spend a good deal of time trying to manage all the aspects of a client's wealth. Though much of this research was conducted with wealth advisors, we believe that the toolkit can prove a valuable resource to many types of advisors who work with clients: wealth advisors, philanthropic advisors, tax attorneys, estate planning lawyers, etc.

In order to help advisors improve their clients' philanthropic impact, we created several prototypes of possible solutions, including this philanthropy toolkit. The toolkit is intended to help advisors increase their comfort and confidence with supporting and guiding their clients' philanthropic planning. Through a user-centered design process, we then tested the toolkit prototypes with more than 100 wealth advisors from across the country. These participating advisors are from firms of varying size, experience, and levels of comfort discussing philanthropy with their clients.

An EPLI research paper providing an overview of our research process and the development of the toolkit prototype can be found on the EPLI website: "Helping Wealth Advisors Increase Philanthropic Impact for High Net Worth Clients."
pacscenter.stanford.edu/epli-publications

SECTION 1

HOW DO YOU FIND YOUR FOCUS AREAS?



1. FINDING YOUR FOCUS AREAS

Outlining focus areas for your philanthropy is key to effective, meaningful, and proactive philanthropy.

This section will guide you through the following steps:

1. **Clarify your motivations and values,** which will guide your decision-making throughout the giving process.
2. **Narrow your focus areas** to identify the issues most meaningful to you and give your philanthropy direction.
3. **Consider your time, talent, and social ties** to understand how you can contribute to your focus areas with your skills and network.

1.1

CLARIFY YOUR MOTIVATIONS & VALUES

Articulating your motivations and values allows you to develop a proactive, effective philanthropic plan rather than giving reactively to funding requests. Ultimately, your motivations and values provide the anchor for decision-making at each step of the philanthropy process.

The following two activities are meant to be completed together. **Activity A** provides reflection questions to help clarify the motivations driving your giving as well as the values underlying it. **Activity B** uses ***Value Cards*** to help you identify the values that are most important to you.

ACTIVITIES

A Reflect on Your Motivation & Values

B Select Your Values

A

ACTIVITY

REFLECT ON YOUR MOTIVATIONS & VALUES

INSTRUCTIONS

Review the questions in Activity A to clarify your philanthropic motivations and identify the values important to your giving. Jot down your thoughts. We encourage you to consider each question fully.

REFLECTION QUESTIONS ABOUT YOUR MOTIVATIONS:

- What motivates you to give?
- What do you hope to gain from your giving?
- What are your immediate philanthropic goals?
- What are your long-term philanthropic goals?
- What do you want to sustain or keep the same in the world?
- What do you want to change in the world?

REFLECTION QUESTIONS ABOUT YOUR VALUES:

- What values are important to your giving?
- Where have you given your time and money in the past, and why?
- Where do you give your time and money currently, and why?
- What issues interest you most, and why?
- What issues feel most pressing to you, and why?
- What life experiences have shaped you, the way you look at the world, and your giving?
- What are some moments or experiences in which you felt like you had some impact on the world?

A

WORKSHEET

REFLECT ON YOUR MOTIVATIONS & VALUES

A

WORKSHEET

REFLECT ON YOUR MOTIVATIONS & VALUES

B

ACTIVITY

SELECT YOUR VALUES

INSTRUCTIONS

To help you select the values important to your giving, circle the words in the list below or use the Value Cards on the following pages or at the back of the toolkit.

For couples and families, it can be helpful to do this activity individually first, and then share your responses and discuss areas of overlap and differences.

The Value Cards deck includes the values listed below, plus some blank cards for any other values you want to highlight.

ACCESSIBILITY
ACCOUNTABILITY
AUTHENTICITY
COLLABORATION
COMMUNITY
CONNECTION
COURAGE
CREATIVITY
CURIOSITY
DIGNITY
DISCIPLINE
DIVERSITY
EFFECTIVENESS
EMPATHY
EMPOWERMENT
EQUITY
EXPLORATION
FAIRNESS
FAITH

FAMILY
FREEDOM
FUN
GENEROSITY
GROWTH
HAPPINESS
HARMONY
HEALTH
HONOR
HUMILITY
HUMOR
INDEPENDENCE
INNOVATION
INTEGRITY
INTERDEPENDENCE
JOY
JUSTICE
KINDNESS
LEADERSHIP

LOVE
LOYALTY
PASSION
PATRIOTISM
PEACE
PERSISTENCE
RESOURCEFULNESS
RESPECT
SECURITY
SELF-ACTUALIZATION
SERVICE
SIMPLICITY
SPIRITUALITY
SPONTANEITY
STEWARDSHIP
TRADITION
TRUSTWORTHINESS
UNITY
WELLBEING

B

ACTIVITY

SELECT YOUR VALUES

ACCESSIBILITY	ACCOUNTABILITY	AUTHENTICITY
COLLABORATION	COMMUNITY	CONNECTION
COURAGE	CREATIVITY	CURIOSITY
DIGNITY	DISCIPLINE	DIVERSITY
EFFECTIVENESS	EMPATHY	EMPOWERMENT

B

ACTIVITY

SELECT YOUR VALUES

EQUITY	EXPLORATION	FAIRNESS
FAITH	FAMILY	FREEDOM
FUN	GENEROSITY	GROWTH
HAPPINESS	HARMONY	HEALTH
HONOR	HUMILITY	HUMOR

B

ACTIVITY

SELECT YOUR VALUES

INDEPENDENCE	INNOVATION	INTEGRITY
INTERDEPENDENCE	JOY	JUSTICE
KINDNESS	LEADERSHIP	LOVE
LOYALTY	PASSION	PATRIOTISM
PEACE	PERSISTENCE	RESOURCEFULNESS

B

ACTIVITY

SELECT YOUR VALUES

RESPECT	SECURITY	SELF-ACTUALIZATION
SERVICE	SIMPLICITY	SPIRITUALITY
SPONTANEITY	STEWARDSHIP	TRADITION
TRUSTWORTHINESS	UNITY	WELLBEING
.... WRITE IN YOUR OWN	.... WRITE IN YOUR OWN	.... WRITE IN YOUR OWN

B

WORKSHEET

SELECT YOUR VALUES

INSTRUCTIONS

Read through the set of Value Cards and select the top three as your "Core Values." You may choose two additional cards as your other primary values. In the space on the next page, jot down how these values might influcence your philanthropy.

CORE VALUES

ADDITIONAL VALUES

B

WORKSHEET

SELECT YOUR VALUES

REFLECTIONS

1.2

NARROW YOUR FOCUS AREAS

The simplest way to organize your philanthropy is to focus on several specific issues, rather than giving across many issues. While your philanthropic budget certainly can allow room for reactive and emergency giving (see **Section 4: Structuring Your Giving**), narrowing your focus areas for proactive giving helps prioritize your resources.

This is true even if your philanthropy is concerned with a particular community—for you cannot give to every possible cause. It is also true for donors who are motivated by the philosophy of effective altruism, which is concerned with alleviating the conditions of abject poverty and avoiding global catastrophes (see **effectivealtruism.org** for more information).

Continued on the following page.

ACTIVITIES

C Look Back at Your Giving History

D Select Your Issues

E Craft Your Focus Statements

1.2

We have developed two activities to help you narrow your focus areas. Both activities help you reflect on issue areas and select a few to integrate into your initial giving plan.

1. LOOK BACK AT YOUR GIVING HISTORY.

   Activity C is for donors who have a significant history of giving. This activity will help you take stock of your past giving and determine trends and themes. From there, you can understand which issues you are most passionate about, assess how you have supported them in the past, and decide whether you would like to make adjustments.

2. BEGIN WITH A CLEAN SLATE AND SELECT ISSUES WITHOUT RELYING ON PRECEDENT.

   If you wish to start with a clean slate, **Activity D** will help you explore a range of potential issues and select those that align with your values and motivations.

We also developed a deck of Issue Cards located on the following pages and in the card deck at the back of this toolkit. The full set includes the issues listed below, plus some blank cards for any other issues you want to highlight. Potential focus areas are included on the back of each Issue Card.

- ANIMAL RELATED
- ARTS, CULTURE & HUMANITIES
- CIVIL RIGHTS & ADVOCACY
- DISASTER PREPAREDNESS & RELIEF
- EDUCATION
- ENVIRONMENT
- FOOD & NUTRITION
- HEALTH
- INTERNATIONAL DEVELOPMENT
- LAW & SOCIETY
- SOCIAL SERVICES
- OTHER

Finally, effective philanthropists often narrow their focus even further by identifying a target population and location for each issue. For example, a philanthropist who selected "education" as an issue might narrow her focus area to adolescent girls' math education on the South Side of Chicago. **Activity E** guides you through narrowing your focus to target populations and locations.

The Issue Card categories were selected from the National Taxonomy of Exempt Entities, developed by the IRS and the National Center for Charitable Statistics to classify nonprofit organizations.
nccs.urban.org/classification/national-taxonomy-exempt-entities

C

ACTIVITY

LOOK BACK AT YOUR GIVING HISTORY

INSTRUCTIONS

Review your previous contributions and volunteer work over a given period of time to identify issues that are meaningful to you.

C

WORKSHEET

LOOK BACK AT YOUR GIVING HISTORY

INSTRUCTIONS

Identify the period of time (e.g., number of years) you will review. In the Gifts Overview table, note the recipients, amounts, and frequency of your contributions during this period. In the Volunteering Overview table, note where you volunteered your time, how much you volunteered, and how often.

The following table reflects my giving history from ______________________

to ____

GIFTS OVERVIEW

	ORGANIZATION / EVENT / PERSON	AMOUNT / FREQUENCY	IS THIS A ONE-TIME GIFT?
Example	American Red Cross	$25 / month	No
1			
2			
3			
4			
5			

C

WORKSHEET

LOOK BACK AT YOUR GIVING HISTORY

VOLUNTEERING OVERVIEW

	ORGANIZATION / EVENT	TIME / FREQUENCY
Example	American Society for the Prevention of Cruelty to Animals (ASPCA)	3 hours / week
1		
2		
3		
4		
5		

C

WORKSHEET

LOOK BACK AT YOUR GIVING HISTORY

INSTRUCTIONS

Based on your giving history, answer the following questions.

Where did you give the most, in terms of both your financial resources and your time? Are there similarities among these recipients?

....

....

....

Which issues prompted you to give the most, in terms of both your financial resources and your time? Did you concentrate your giving in any way (for instance, more time to one issue, more money to another)? Do those issues reflect what is most important to you today? You can select from the Issue Cards or write other issues on the blank Issue Cards, and then record them below.

....

....

....

....

Does your giving reflect your values? If yes, how? If no, why not?

....

....

Do you see any other themes or trends in your giving?

....

....

C

WORKSHEET

LOOK BACK AT YOUR GIVING HISTORY

INSTRUCTIONS

Based on your answers, select the issues that are most meaningful to you and that you would like to focus on in your giving. Note any reflections in the space below.

REFLECTIONS

D

ACTIVITY

SELECT YOUR ISSUES

INSTRUCTIONS

The Issue Cards provide an overview of broad issue categories and include some blank cards for you to write in any other issues that might interest you—for example, a specific issue you already know you would like to fund. Read the Issue Cards and select the issues that you may be interested in supporting.

D

ACTIVITY

ISSUE CARDS

INSTRUCTIONS

Review the front side of the Issue Cards that include the topics below. These cards provide an entry point into an issue. There are also three blank cards so that you can write in any specific causes that might be meaningful to you.

ANIMAL RELATED	ARTS, CULTURE & HUMANITIES	CIVIL RIGHTS & ADVOCACY
DISASTER PREPAREDNESS & RELIEF	EDUCATION	ENVIRONMENT
FOOD & NUTRITION	HEALTH	INTERNATIONAL DEVELOPMENT
LAW & SOCIETY	SOCIAL SERVICES	OTHER
WRITE IN YOUR OWN	WRITE IN YOUR OWN	WRITE IN YOUR OWN

D

ACTIVITY

ISSUE CARDS

INSTRUCTIONS

For the Issue Cards selected, review the backside of the cards and circle any specific focus areas of interest (i.e. special education, cancer), or write in focus areas meaningful to you.

- Civil Liberties
- Civil Rights
- Democracy
- Intergroup & Race Relations
- Voter Education & Registration
- ____________________

- Arts & Culture
- Arts Services
- Historical Organizations
- Humanities
- Media & Communications
- Museums
- Performing Arts
- Visual Arts
- ____________________

- Animal Protection & Welfare
- Veterinary Services
- Wildlife Preservation & Protection
- Zoos & Aquariums
- ____________________

- Climate Change
- Environmental Education
- Natural Resources Conservation & Protection
- Pollution Abatement & Control
- Recycling Programs
- ____________________

- Adult Education
- Elementary & Secondary Education
- Graduate & Professional Education
- Higher Education
- Libraries
- Special Education
- Vocational & Technical Education
- ____________________

- Disaster Preparedness & Relief Services
- Search & Rescue Squads
- ____________________

- International Human Rights
- International Peace & Security
- ____________________

- Diseases & Conditions
- Hospitals & Primary Healthcare
- Medical Research
- Mental Health
- Public Health
- Rehabilitative Care
- Reproductive Health
- ____________________

- Food Programs & Security
- Nutrition
- ____________________

____

____

____

- Children & Youth Services
- Fair Employment
- Family Services & Assistance
- Housing & Shelter
- Labor Unions
- ____________________

- Criminal Justice Reform
- Crime Prevention
- Law Enforcement
- Legal Services
- Protection Against Abuse
- Rehabilitation Services
- ____________________

WRITE IN YOUR OWN

WRITE IN YOUR OWN

WRITE IN YOUR OWN

D

WORKSHEET

SELECT YOUR ISSUES

INSTRUCTIONS

Review the front side of the Issue Cards. Think about your personal interests, particularly segments of society you want to help, and their specific needs. Then select up to five cards that resonate most with you. Next, review the backs of your selected cards. Circle the focus areas you noted as being of interest (e.g. special education, cancer) or write in focus areas that are meaningful to you. Note any reflections you have in the space on the next page.

D

WORKSHEET

SELECT YOUR ISSUES

REFLECTIONS

E

ACTIVITY

CRAFT YOUR FOCUS STATEMENTS

A focus statement frames your values and motivations and connects them with your philanthropic intentions. A strong focus statement can help guide your philanthropic plan. While you may want to have an overall giving statement the same way some nonprofits have vision and mission statements, we recommend also creating a separate focus statement for each issue, including the specific population and location you would like to serve.

EXAMPLE

We aim to address education inequality for low-income secondary school students in Grand Rapids Public Schools because this aligns with our commitment to equity in public education.

INSTRUCTIONS

Craft short statements that articulate your intention for how to address each of your selected focus areas.

If you don't yet feel ready to articulate focus statements, you can return to them later in this toolkit or as you actually engage in giving, recognizing that they may change over time.

If you need additional inspiration, you can look online for various resources on crafting vision, mission, and focus statements. Feel free to borrow from statements that inspire you and rework them to make them your own.

E

WORKSHEET

CRAFT YOUR FOCUS STATEMENTS

INSTRUCTIONS

Complete the statement below, using your selected Value Cards and Issue Cards to identify the essential components. Craft focus statements for each of your focus areas in the space below.

We aim to address **[WHAT]** for **[WHO] [WHERE]** because this aligns with our commitment to **[WHICH VALUES]**.

WHAT: What causes/issues do you want to address with your philanthropy (e.g., environment, education, animal-related)?

WHO: Who will benefit from your philanthropy (e.g., people experiencing homelessness, children from low-income backgrounds, abused animals)?

WHERE: Where, geographically, will you focus your philanthropy (e.g., a specific location, locally, statewide, nationally, globally)?

WHICH VALUES: Which values are driving your goal (e.g., respect, diversity, empathy)?

Example:

We aim to address **EDUCATION INEQUALITY** for **LOW-INCOME SECONDARY SCHOOL STUDENTS** in **GRAND RAPIDS PUBLIC SCHOOLS** because this aligns with our commitment to **EQUITY IN PUBLIC EDUCATION.**

E

WORKSHEET

CRAFT YOUR FOCUS STATEMENTS

Keep these four principles in mind:

- Be specific.
- Use simple language (avoid buzzwords).
- Keep it concise.
- Make it actionable.

1.

We aim to address ....

for ....

....

because this aligns with our commitment to ....

....

2.

We aim to address ....

for ....

....

because this aligns with our commitment to ....

....

E

WORKSHEET

CRAFT YOUR FOCUS STATEMENTS

3.

We aim to address ....

for ....

....

because this aligns with our commitment to ....

....

4.

We aim to address ....

for ....

....

because this aligns with our commitment to ....

....

5.

We aim to address ....

for ....

....

because this aligns with our commitment to ....

....

1.3

CONTRIBUTE YOUR TIME, TALENT, AND TIES

When considering levels of donor engagement, you may have heard of the "4 T's"—Treasure, Time, Talent, and Ties. In this context, treasure is shorthand for financial contributions, time reflects the hours you are able to give, talent refers to your specific skillsets, and ties relate to your social and professional networks.

It is up to you to consider how to balance and deploy these "4 T's" in your philanthropic endeavors at different periods in your life. There may be intervals when you don't have much time but are happy to make significant financial donations. There may be other times when you cannot give the lead gift on a campaign but are able to consistently volunteer and make introductions to key people in your social network. Regardless of how you balance your "4 T's," there are many organizations that will be delighted to have you involved.

We address financial contributions in **Section 4: Structuring Your Giving** and **Section 6: Making Gifts and Tracking Your Giving**. In this section we focus on the other three T's: Time, Talent, and Ties.

Continued on the following page.

You might consider deepening your philanthropy by contributing your time and talent through volunteering. Volunteering can be an excellent way to learn more about your focus areas and get to know an organization. You can volunteer with organizations you support financially as well as other organizations. Nonprofit organizations sometimes post information about volunteer positions on their websites. Volunteer commitments can be short-term and focused around a specific event or short-term business goal, or they can be long-term and connected to a series of events, an on-going program, or extended strategic initiatives.

Another way to contribute at a leadership level is to serve on the board of a nonprofit organization. Often, an organization's senior leadership identifies prospective board candidates based on the skills and expertise they can contribute and extends an invitation to join the board. Organizations often ask board members to be "ambassadors" for the organization, willing to tap into their social and professional networks to help the organization more effectively meet its various goals. While board service can be extremely meaningful, it can also be a significant time commitment depending on the organization's needs and the skills and resources other board members bring to the table.

If you are considering volunteering or serving on a board, work through **Activity F**.

For more information on board service, refer to BoardSource in **Additional Resources: Section 1** at the end of the Toolkit.

ACTIVITY

F Consider Your Time, Talent, & Ties

F

ACTIVITY

CONSIDER YOUR TIME, TALENT, & TIES

INSTRUCTIONS

Review the questions in Activity F to consider your interest in contributing your time, talent, and ties to a particular focus area. Jot down your thoughts.

CONSIDER YOUR INTEREST IN GENERAL VOLUNTEER WORK BY ANSWERING THESE QUESTIONS:

- Is there an issue you would like to learn about through firsthand experience?
- If you have an organization in mind, is that organization accepting volunteers? What responsibilities do volunteers have?
- Does the organization need volunteers with particular skills or experience? Do you have the skills or experience they need?
- What is the time commitment for volunteers at the organization? Are you able to commit your time?

Continued on the following page.

CONSIDER THESE QUESTIONS TO DETERMINE YOUR INTEREST IN BOARD SERVICE:

- Do you have enough time for board service?

    Serving as a board member requires more than attending meetings. You will often be expected to serve on one or more committees, read and understand financial documents, represent the organization at various events, and fundraise.

- Are you willing and able to meet fundraising expectations?

    Board members are usually asked to make personal contributions as well as raise funds from their personal and professional networks. You may also be asked to network with potential donors on behalf of the organization.

- What skills or expertise do you offer the organization's board? Are your skills or expertise needed?

    Board members offer a variety of skills and experience to assist with the overall functions of the board. How you can make a difference in the organization depends on the needs of the organization.

- How might you tap into your personal and professional networks to assist the organization in meeting its goals?

    In addition to reaching out to friends and colleagues for fundraising parties or other special events, board members also often tap into their networks to seek advice and mobilize additional skillsets to assist an organization's special projects and initiatives. With the organizations and causes you are interested in, who in your network comes to mind and how might they be most helpful?

F

WORKSHEET

CONSIDER YOUR TIME, TALENT, & TIES

EPLI PHILANTHROPY PLANNER

FINDING YOUR FOCUS AREAS SUMMARY

Now that you have completed Section 1, turn to the Finding Your Focus Areas Summary on the next page. Fill in the table to outline your selected focus areas. As you complete the yellow EPLI Philanthropy Planner pages at the end of each section, you can tear them out to include in your Philanthropy Planner pocket at the end of the toolkit.

1

EPLI PHILANTHROPY PLANNER

FINDING YOUR FOCUS AREAS SUMMARY

INSTRUCTIONS

Review your total philanthropy allocation for a set period of time (e.g., a year or two) to help you better understand your potential impact on an issue, location, or organization. Write the amount in the upper right corner. Your total allocation may help you narrow the number of issue areas you address over a given period of time. Although this amount may change, starting with a draft amount can make this process more practical and concrete. In Section 4, you can work with your advisor to determine your total philanthropy allocation going forward.

YOUR CAUSES Up to 5 issue cards for your focus areas	**1** Place Issue Card here
WHO Who will you focus on helping? (e.g., school children, young leaders, people experiencing homelessness)	
WHERE Where will you focus your giving? (e.g., globally, nationally, a specific region)	

1

EPLI PHILANTHROPY PLANNER

FINDING YOUR FOCUS AREAS SUMMARY

INSTRUCTIONS

Place your selected Issue Cards on the Section Summary below. If you already know how they rank, you may choose to place the Issue Cards in order from 1 to 5 across the planner. If you have two competing issues, you can choose to make them equal priorities, or prioritize them after you have selected the organizations you would like to fund.

The following table reflects contributions from ____________________

to ____________ .

2 Place Issue Card here	3 Place Issue Card here

1

EPLI PHILANTHROPY PLANNER

FINDING YOUR FOCUS AREAS SUMMARY

INSTRUCTIONS

Define your focus areas further by reflecting on the population you want to help (e.g., elementary school children, young community leaders, people experiencing homelessness) and the location where you want to practice your philanthropy (e.g., globally, nationally, a specific region). If you feel that your interest in the issue remains broad, you may leave this blank until you identify possible organizations to support.

TOTAL AMOUNT ALLOCATED:

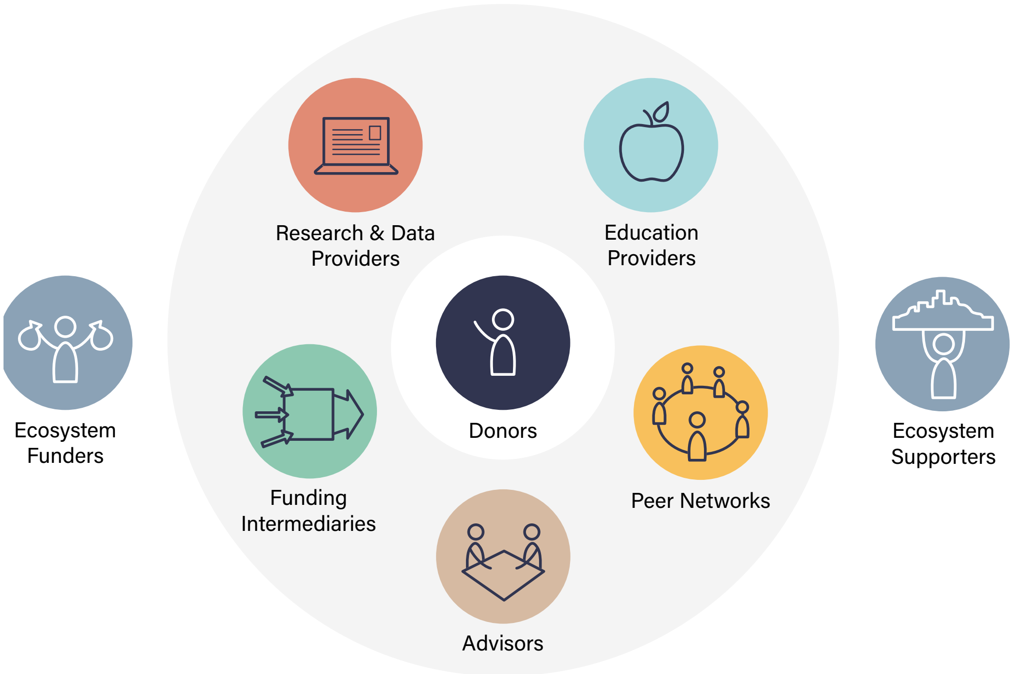
4 Place Issue Card here	**5** Place Issue Card here

SECTION 2

WHERE CAN YOU LEARN MORE, SEEK PROFESSIONAL ADVICE, & ENGAGE OTHER DONORS?

2. ENGAGING OTHERS

At the beginning of your philanthropic journey, or even when it is well underway, you may find it helpful to seek professional advice and learn alongside other donors. Yet donors often find it challenging to identify reliable sources of assistance and collaboration. This section will help you navigate the landscape of organizations that might support you in achieving your philanthropic goals.



The middle two parts of this section use the Stanford PACS Philanthropist Resource Directory (PRD). The PRD is a database designed to help high-capacity donors and their advisors easily identify donor networks and professional organizations to support their philanthropy. It has an inventory of more than 280 organizations across the United States.

The PRD can be found at: **pacscenter.stanford.edu/prd**

This section guides you through the following steps:

1. **Learn more about effective philanthropy** to supplement your use of this toolkit.

2. **Seek advice from professionals** to better inform your philanthropy.

3. **Learn with other donors** to exchange perspectives and experience with peers.

4. **Collaborate with other donors** to deepen the impact of your philanthropy.

5. **Learn from the communities you are trying to serve** through participatory grantmaking.

2.1

LEARN MORE ABOUT EFFECTIVE PHILANTHROPY

There is a wide range of reading material beyond this toolkit available for donors to learn more about effective philanthropy and the social sector. It can supplement your navigation of the toolkit and allow you to engage more deeply with your philanthropy.

Below is a list of Stanford PACS-affiliated reading materials for donors. For additional non-PACS resources, see **Additional Resources: Section 2** at the end of this toolkit.

Stanford Social Innovation Review (SSIR) by Stanford PACS
SSIR is a magazine and website written by and for social change leaders from around the world and from all sectors of society—nonprofits, foundations, business, government, and engaged citizens. With print and online articles, webinars, conferences, and podcasts, SSIR bridges research, theory, and practice on a wide range of topics, including effective philanthropy practices, human rights, impact investing, and nonprofit business models.
ssir.org

Continued on the following page.

2.1

The Stanford PACS Guide to Effective Philanthropy
by EPLI and various contributors (2020)

This book was developed to help emerging philanthropists improve their philanthropic practice. It addresses many of the topics in this toolkit in more depth, and includes additional chapters relevant to understanding the nonprofit sector.

Money Well Spent: A Strategic Plan for Smart Philanthropy
by Paul Brest and Hal Harvey (2011)
Published by Stanford Business Books, an Imprint of Stanford University Press

This book explains how to create and implement a strategy that ensures meaningful results.

Giving 2.0: Transform Your Giving
by Laura Arrillaga-Andreessen (2011)
Published by Jossey-Bass

This book offers practical tools and ideas to guide your giving journey and is accompanied by a discussion guide for educators and giving circle members to further engage with the material.

Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better
by Rob Reich (2018)
Published by Princeton University Press

This book investigates the ethical and political dimensions of philanthropy and considers how giving might better support democratic values and promote justice.

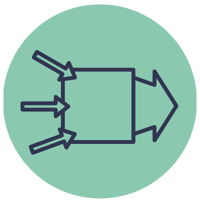
2.2

SEEK ADVICE FROM PROFESSIONALS

In the Stanford PACS Philanthropist Resource Directory (PRD), there are two categories of philanthropy professionals and issue area experts that donors can learn from: **philanthropic advisors** and **funding intermediaries**.

PHILANTHROPIC ADVISORS provide specialized assistance with developing philanthropic strategy, setting up your giving vehicles, and carrying out specific gifts. Advisors trained to give philanthropic advice can also help you develop a tax strategy to integrate philanthropy into your overall wealth planning. Advisors may be associated with independent consultancies, financial advisory firms, law firms, or banks. The PRD has included financial advisory firms and private banks with formal philanthropic advising services, as well as designated philanthropy advisory firms with three or more staff.

Continued on the following page.



FUNDING INTERMEDIARIES collect contributions from donors and distribute them to nonprofit organizations. The PRD lists those funding intermediaries that have specific programs to engage high-capacity donors. Intermediaries include some community foundations, other types of public foundations, funder collaboratives, donor advised fund management organizations, and other similar models.

A common example of funding intermediaries are community foundations. ***Community foundations*** usually operate in specific geographic areas and provide support to donors and nonprofit organizations in their locales. These organizations provide donors with information and structures that make it easier to distribute resources in a particular geography (and, often, beyond) while also avoiding the administrative and legal costs of setting up independent foundations. Community foundations are primarily categorized in the PRD as funding intermediaries, but they can also be good places to learn with other donors and connect with professional advisors.

2.3

LEARN WITH OTHER DONORS

The PRD provides two engagement categories for high-capacity donors to explore opportunities and learn in settings with other donors: **education providers** and **peer networks**.

EDUCATION PROVIDERS and affinity groups offer educational support for high-capacity donors, such as events, workshops, conferences, research, online courses, and programs. Examples include the National Center for Family Philanthropy, Indiana University Lilly Family School of Philanthropy, and the Aspen Institute's Program on Philanthropy and Social Enterprise.

> ***Affinity groups*** groups are a type of education provider involving coalitions of philanthropists or philanthropic institutions that provide educational and networking opportunities to donors with a shared interest in a particular funding area. Examples include Asian Americans/Pacific Islanders in Philanthropy, the Jewish Funders Network, or the Women Donors Network. These groups host a range of activities including in-person meetings, expert panels, and interactive workshops. Webinars and email lists or forums can provide updates on current issues or a platform to share ideas and experiences on a regular basis. Affinity groups are categorized in the PRD under Education Providers but can also fall under the second category of Peer Networks.

Continued on the following page.

PEER NETWORKS These are organizations that manage networks of high-capacity donors. The shared knowledge from these networks can make your giving more effective.

Giving circles are a type of peer network that can be especially useful for deepening your knowledge about focus areas, contributing to pooled funds dedicated to specific issues or specific geographic areas, and making collective decisions on distributing the funds. Giving circles help participants collectively learn about philanthropy, and some also organize volunteer opportunities. Giving circles are usually hosted by a nonprofit organization, so a donor's contribution is immediately tax deductible even if giving decisions are made later in the process. If you would like to start your own giving circle, see **Additional Resources: Section 2** at the end of this toolkit.

2.4

COLLABORATE WITH OTHER DONORS

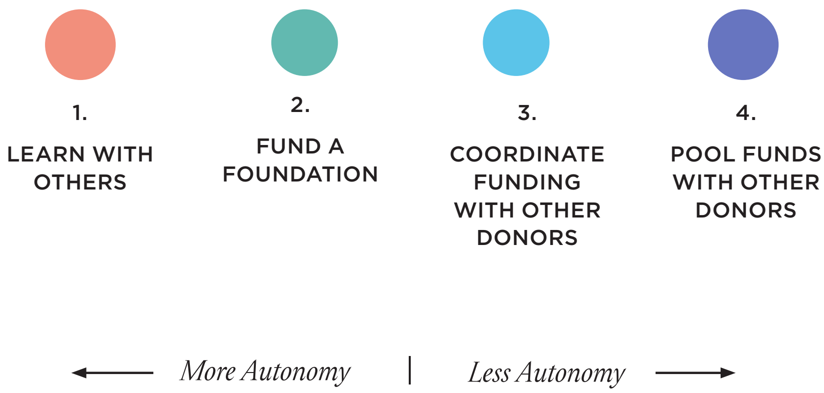
High-capacity donors—especially those who already have significant philanthropic experience—are increasingly seeking to collaborate with others. Your contributions are likely already working alongside other funders to support an organization's work. However, you may choose to intentionally participate in collaboration and pooled funding initiatives to increase the impact of your giving. Collaboration allows donors to combine funding, knowledge, and expertise, and can be an effective way to leverage and scale your giving.

Collaborative funding is a growing field—it has been evolving over the last fifteen years with various legal structures and models under each means of collaboration and pooled funding. Your involvement and control will vary greatly depending on an initiative's structure. For instance, you can donate to funds that are curated by funding intermediaries, and you might be able to exert influence but have less control over giving; or you can engage in giving collectives that are donor-led, where each donor has a decision-making seat at the table.

The following spectrum outlines different ways donors can approach collaboration. If you feel you are not yet ready to collaborate, you can always revisit the possibility of collaboration in future philanthropic cycles.

SPECTRUM OF COLLABORATION

The diagram below represents four ways donors can collaborate. Note how each method of collaboration has different implications for your decision-making autonomy.



WAYS TO COLLABORATE	WHAT IS IT?
LEARN WITH OTHERS	The exchange of knowledge among donors is the most common form of collaboration. *Examples: joining an affinity group and sharing "lessons learned" with other donors.*
FUND A FOUNDATION	You can entrust your funds to another well-established funder, usually a private or community foundation, that has full control over its grantmaking and is fully staffed. *Examples: One well-known example is Warren Buffett's unrestricted gift of $30 billion to the Bill and Melinda Gates Foundation in 2006. There are also other foundations that depend heavily on contributions—for example Tipping Point Community and GreenLight Fund, which respectively address poverty and inequality.*
COORDINATE FUNDING WITH OTHER DONORS	Donors may choose to coordinate funding strategies within their focus areas. They can identify opportunities to support one another's work, reduce areas of unnecessary overlap, and strategize together about how to address a specific problem. *Example: ClimateWorks brings together its core partners—the William and Flora Hewlett Foundation, the KR Foundation, the John D. and Catherine T. MacArthur Foundation, the Oak Foundation, and the David and Lucile Packard Foundation—to strategize and fund collective action to tackle the causes of climate change.*
POOL FUNDS WITH OTHER DONORS	Donors can aggregate, or pool, funds with each other to create larger-scale impact in a shared focus area. Entities that have a thematic focus are known as issue funds. *Example: Hundreds of issue funds exist, covering a wide range of topics such as animal welfare, movement building, poverty alleviation, human rights, clean water, hunger relief, youth homelessness, and many more.*

2.5

LEARN FROM THE COMMUNITIES YOU SEEK TO SERVE

Participatory grantmaking aims to democratize philanthropy by shifting the decision-making power from donors to the communities being served. It empowers community members by recognizing the unique importance of their lived experiences in making good decisions about how the community should be served. The following chart represents different ways high-capacity donors can practice participatory grantmaking.

The grantmaking process itself is a key outcome of participatory grantmaking. The goal is to achieve an inclusive democratic process and, as such, is driven by values rather than by strict rules. Thus there is a lot of variation in how participatory grantmaking is practiced. Sometimes the process is completely led by peers and does not include any trustees or foundation staff. Sometimes, the grantmaking decision is led by peers but the donors and staff are involved in other aspects. Other times, peers and donors both participate in making grant decisions.

WAYS TO PRACTICE PARTICIPATORY GRANTMAKING	WHAT IS IT?
1. LISTENING TOUR Survey the communities you seek to serve	Donors seek out nonprofit and community opinions and perspectives to learn about the issues they are trying to tackle. This approach to participatory grantmaking allows donors to retain control of their philanthropic process. *Example: Donors ask a wide range of nonprofit staff or community members about their experiences around a particular issue.*
2. SEAT AT THE TABLE Incorporate grantee and community voices into your philanthropic process	Donors include nonprofit or community perspectives to inform their philanthropic strategy. *Example: A giving circle focused on girls' education in Southern California has an advisory board of teenage girls from the region.*
3. ACTIVE PARTNERSHIP Collaborate with communities or nonprofits to carry out your philanthropic process	Donors give nonprofits and communities increased decision-making power to direct philanthropic resources. This level of partnership can be very rewarding but generally requires trust and deeper connections built over time. *Example: A foundation creates a regional advisory board of community experts to make decisions about which nonprofits to fund.*

2.5

One key benefit of participatory grantmaking is that it strengthens trust and credibility of the donors since it democratizes the grantmaking process. As participatory grantmaking expert Cynthia Gibson points out, some proponents of participatory grantmaking believe this process leads to better decisions. Additionally, this process promotes diversity, equity, and inclusion; provides participants with an opportunity to network, build their leadership skills, and increase community engagement; and can often help nonprofits identify new initiatives and take more risks.

While it has many benefits, participatory grantmaking may not always be the best approach for funders. Funders are still fiscally and legally responsible for their funding decisions and as a result, some traditional funders believe that they shouldn't cede control of decision-making. Additionally, for some organizations operating at a national level, engaging in participatory work may be overly challenging if they serve multiple constituencies and have fixed existing organizational policies and structures. Participatory grantmaking can also be resource-intensive. Coordinating among and supporting multiple community volunteers can increase the length of the process, and ensuring representativeness can be a challenge. This approach can also lead to conflicts of interest among community volunteers or between the organization and the community volunteers.

If you are interested in learning more about participatory grantmaking or reading Cynthia Gibson's work, please see the **Additional Resources: Section 2** at the end of this toolkit.

ENGAGING OTHERS SUMMARY

Now that you have completed Section 2, turn to the Engaging Others Summary on the next page. Complete the survey to help you consider the different ways you can collaborate with other donors, nonprofit leaders, subject matter experts, and community members in the future. Tear out the summary to include in your Philanthropy Planner at the end of the toolkit.

2

EPLI PHILANTHROPY PLANNER

ENGAGING OTHERS SUMMARY

INSTRUCTIONS

Reflect on the considerations for collaborating with other donors. If you answer "yes" on any item, use the notes at the bottom of this page to jot down any considerations you may have in moving forward.

ARE YOU WILLING TO INVEST THE TIME TO:	YES SHORT TERM	YES LONG TERM	NO
Learn more about your selected issue area?	○	○	○
Learn from philanthropists working on your selected issue?	○	○	○
Learn from philanthropists in your geographic location?	○	○	○
Build the relationships of trust necessary for effective collaboration?	○	○	○
DO YOU WANT TO SHARE WITH OTHER PEER DONORS:			
Lessons you learn in your philanthropy about promising giving practices or warning signs?	○	○	○
Decision-making in your philanthropy?	○	○	○
Your philanthropic legacy?	○	○	○
Your personal networks, skills, and expertise?	○	○	○
DO YOU WANT TO PARTNER WITH OTHER PEER DONORS TO:			
Scale an initiative?	○	○	○
Elevate voices from communities affected by your issue(s) and provide space for their leadership?	○	○	○
Increase your influence on key stakeholders?	○	○	○
Expand the skills and networks available to your philanthropy?	○	○	○
Pilot a new initiative?	○	○	○

2

ENGAGING OTHERS SUMMARY

INSTRUCTIONS

Reflect on what you've read about the different levels of participatory grantmaking. Jot down any concerns, considerations, or open questions. Note: You may choose to engage in participatory grantmaking practices in all your philanthropic activities or only in some instances, around particular issues or organizations.

WOULD YOU LIKE TO DO A LISTENING TOUR ON A FOCUS AREA? YES ○ NO ○

With whom might you want to speak (staff, community members or other subject matter experts)? Are you giving at a level commensurate with the time and attention you are requesting from people? Are you open to giving an honorarium to people if you are asking for their dedicated time?

....

....

ARE YOU INTERESTED IN INCORPORATING GRANTEE AND COMMUNITY VOICES IN YOUR PHILANTHROPIC DELIBERATIONS? YES ○ NO ○

Which people might you be interested in having around the table as a slightly more formalized advisory group while you deliberate about what kind of projects to support and how? What diversity, equity, and inclusion opportunities become possible with this approach? Do you need additional information to take this step?

....

....

ARE YOU INTERESTED IN GIVING GRANTEE LEADERS OR COMMUNITY MEMBERS DECISION-MAKING POWER OVER ALL OR SOME PORTION OF YOUR DONATIONS? YES ○ NO ○

How would you want a delegated decision-making entity to communicate their process and decisions with you? Who might you want to see involved in this collaborative group? What concerns do you have about this? What structures, level of formality, and commitments would you want to see to make this feasible?

....

....

2

EPLI PHILANTHROPY PLANNER

ENGAGING OTHERS SUMMARY

INSTRUCTIONS

Once you have completed the survey, look back at the Spectrum of Collaboration in Section 2 to see which approaches, if any, might suit your current interests in collaboration. Then, think through the questions below.

SHORT-TERM APPROACH

What approach would you like to take to collaboration over the next cycle of your philanthropy?

LONG-TERM APPROACH

What approach would you like to take regarding collaboration over the next 5–10 years?

METHODS OF COLLABORATION

What are some concrete ways you would like to collaborate with others, in the short and long term?

ACTION STEPS

What steps do you need to take to move forward?

SECTION 3

HOW DO YOU INVOLVE YOUR FAMILY?

3. INVOLVING FAMILY

For many donors, philanthropy presents a unique opportunity to include family—however you may define it—and create a family legacy. You may include family members in helping develop philanthropic goals, providing feedback, or carrying out your philanthropic mission.

This section guides you through the following steps:

1. **Involve your family in your philanthropy** to create and embrace shared family values and create a meaningful legacy.

2. **Navigate family dynamics** through a series of reflection activities.

3. **Involve the next generations** (children and grandchildren) to encourage and support their philanthropy.

3.1

INVOLVE YOUR FAMILY IN YOUR PHILANTHROPY

Involving your family can take multiple forms, from involving them in decision making to preparing for eventual succession. Before engaging your family, it can be helpful to outline the forms of involvement you wish to consider. It is useful to be clear about your expectations for various family members' roles and to seek their buy-in.

ACTIVITIES

G Reflect on Your Family

H Navigating Family Dynamics

G

ACTIVITY

REFLECT ON YOUR FAMILY

INSTRUCTIONS

Review the questions in Activity G and jot down your thoughts. You do not have to answer all the questions, but we recommend you give each topic some consideration before reaching out to your family members.

For more information on discussing philanthropy with your family, see **Additional Resources: Section 3** at the end of this toolkit.

G

WORKSHEET

REFLECT ON YOUR FAMILY

INSTRUCTIONS

Review the questions below and jot down your thoughts. You may also wish to discuss your ideas with trusted peers or advisors to understand your options before reaching out to your family members.

FAMILY MEMBERS

Whom do you consider family? Who in your family would you like to involve in your philanthropy (e.g., immediate family members, stepchildren, children's spouses, those in the local area)?

- How do you think about your philanthropic identity? Is it a continuation of the legacy between your parents and older family members or are you forging a new legacy?
- Does your philanthropic vision take you well into the future or is it something you would want to revisit periodically to fit changing circumstances in the world?
- How would you feel about the next generation playing a role?
- How do your children see how they want to give back to the world? If they are young, how do you want to engage them in thinking about these issues, if at all?
- How do you feel about spouses being involved?
- Are you interested in designing various tiers of participation and ways to incentivize active participation and leadership?
- What values inform your giving and that of your family? Have you crafted a vision and mission statement? Would you want to involve your family in this process?
- Would you prefer to spend down all of your philanthropic assets in your lifetime, or to set up a philanthropic vehicle that outlives you and exists in perpetuity? If you prefer a perpetual giving entity, how and when will you hand over the reins? In the future would you prefer it to be managed by your family members, trusted non-family advisors, or some combination?
- Are you concerned that including your children could have too much influence on their ambition or life paths? If so, why? What are some personal parameters or guard rails you have about engaging your children in philanthropy? Have you shared those with your children?

G

WORKSHEET

REFLECT ON YOUR FAMILY

LOGISTICS AND AVAILABILITY

- What are your expectations about time investment from family members?
- Are in-person meetings feasible, or will some family members have to engage remotely?
- What are your expectations for how often your family will revisit philanthropic decisions (e.g., annual or semiannual meetings)?

You should ask individual family members about their availability before the first family gathering to give them an opportunity to signal their level of interest.

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COMMUNICATION

- How does your family communicate other important matters?
- How does your family communicate when in disagreement?
- How can you communicate expectations about roles and responsibilities?

It may help to brainstorm a set of communication ground rules at the first family gathering, and have everyone involved agree to uphold those rules.

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G

WORKSHEET

REFLECT ON YOUR FAMILY

DECISION-MAKING

- As the primary donor, which decisions would you prefer to make by yourself?
- Which decisions could be made with family members?
- How would you like group decisions to be made (e.g., majority vote, consensus)?
- What are your family's strengths and weaknesses when it comes to group decision-making? How can you address the weaknesses?
- When and how might you use outside advisors or experts to help inform your family decision-making?

It can be helpful to review the Toolkit Primer in the Introduction and indicate which activities/decisions could be group decisions for your family.

G

WORKSHEET

REFLECT ON YOUR FAMILY

IMPLEMENTATION

- What are your expectations for family members' involvement in implementing philanthropic decisions?
- Are there particular family members you expect to be more involved in carrying out certain activities (e.g., site visits, meetings with advisors)?

The next page includes a list of common roles for family members to help you identify possible implementation roles.

UNDERSTAND THE DIFFERENT ROLES FAMILY MEMBERS CAN PLAY

Here is a list of some roles that family members can play in your philanthropy. One person can play multiple roles. As you go through this list, think about which roles meet your current needs and the family members who might be able to fill those roles. If you feel some uncertainty engaging family members, consider having a conversation to ask their thoughts about giving back or invite them to volunteer together.

1. **CO-PHILANTHROPIST:** I want this person to be my partner in philanthropy, to help me set my priorities, to be a sounding board, and to be involved throughout the process.

2. **IMPLEMENTER:** I want this person to help me research how and where to give and help me implement my philanthropic goals.

3. **THOUGHT PARTNER OR ADVISOR:** I want this person to give me feedback on my philanthropic goals and plans for achieving them.

4. **SUCCESSOR:** I want this person to continue bestowing my philanthropic assets after my passing.

5. **OTHER:** Add your own reasons for wanting to include this person.

You will allocate these roles to your family members at the end of this section, in the Engaging Family Summary.

H

WORKSHEET

NAVIGATING FAMILY DYNAMICS

INSTRUCTIONS

Use reflection questions to work through family dynamics and set your family up for a successful philanthropic journey.

Differences in perspective and opinion occur in every family, especially across generations, and do not have to impede your philanthropy. The goal is to communicate differences and come to a shared understanding about your values and philanthropic goals.

1. Arrive at a process for handling differences through the following reflection questions:
   a. How will funding decisions be made? Will a majority vote be needed to make a funding decision, or the approval of specific family members? Is your family open to a combined approach in which some portion of the total funding is allocated to each family member to give as they wish?
   b. If there is an issue that certain members are passionate about and others oppose, will the family philanthropy fund it?
   c. Is it important to keep the family philanthropy contained within one funding vehicle?

H

WORKSHEET

NAVIGATING FAMILY DYNAMICS

INSTRUCTIONS

Invite each family member to go through Activity A and Activity B in Section 1: Finding Your Focus Areas, or Activity I in this section.

After each family member has gone through the values and issues exercises individually:

1. Identify shared values or points of alignment across the family.

2. Invite each family member to share why these values are meaningful to them. This process of personal sharing may help you find additional points of alignment and connection.

3. Similarly, identify points of alignment across issue areas. This may require you to think broadly.
   Examples: If several family members are interested in charter schools while others are interested in affirmative action advocacy, you might identify education as a shared interest. If entrepreneurship is a shared interest, some family members may want to start a national social entrepreneurship fellowship for college students while other family members may want to support a nonprofit helping women from an under-resourced local community to start their own businesses.

4. Once again, have each family member share why those issues are particularly meaningful to them and discuss what resonates across the family.

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3.2

INVOLVE THE NEXT GENERATION

Involving the next generation is often of great importance to donors. Philanthropy is an opportunity to bring family together around a common goal, communicate values across generations, and develop a sense of social responsibility in the next generation. Having discussions about giving back helps ground the next generation's understanding of social responsibility to carry out family activities, such as a day of service, site visits, and on-going volunteering. This section suggests possible ways to introduce the next generation to philanthropy.

For more information on engaging the next generation, see **Additional Resources: Section 3** at the end of this toolkit.

ACTIVITY

I Introduce the Next Generation to Philanthropy

I

ACTIVITY

INTRODUCE THE NEXT GENERATION TO PHILANTHROPY

INSTRUCTIONS

Introduce the next generation (e.g., your children or grandchildren) to the significance of philanthropy and the process of giving through discussion-based reflections and interactive activities.

I

WORKSHEET

INTRODUCE THE NEXT GENERATION TO PHILANTHROPY

INSTRUCTIONS

Below are four discussion-based reflections and interactive activities that you can complete with your children, grandchildren, or other younger family members.

REFLECT ON FAMILY VALUES

Sharing your values will help the next generation understand why you pursue philanthropy and the greater mission and vision you seek. Use your selected Value Cards and the extra deck of Value Cards from the back of the toolkit to guide your discussion.

SUGGESTED ACTIVITY FORMAT

- Spread out one set of Value Cards on a table.
- Ask children to select three to five cards that represent the values most important to them. If there are remaining blank cards from your exercise, they may want to write in other values. You can substitute sticky notes or index cards if you need more blank cards. We recommend having up to five write-in cards.
- Following the children's selection, share your own choices. If you and they selected any of the same cards, move those cards to a separate "Shared Values" pile.
- For each remaining card, ask the children why they chose that value. What does that value mean to them?
- After listening to their responses, explain your own selections. Remember that this reflection is discussion-based; there are no right or wrong answers.
- Once done, ask the children which cards they would like to add to the "Shared Values" pile.

I

WORKSHEET

INTRODUCE THE NEXT GENERATION TO PHILANTHROPY

START A CONVERSATION

We encourage you to have a conversation with your younger family members about the reasons for your previous giving. Sharing your motivations to give inspires the next generation to act philanthropically. Reflect on the following before beginning, to guide your conversation:

1. What role has giving played in your life?

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2. What gifts, either given or received, have been most meaningful to you, especially as a child or young adult, and why?

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I

WORKSHEET

INTRODUCE THE NEXT GENERATION TO PHILANTHROPY

SUGGESTED ACTIVITY FORMAT

Discussing your philanthropy and its meaning with younger family members can be straightforward. If you are looking for prompts, consider the following:

- Share your giving history with a particular organization. Ask if they know why you have chosen to support this organization.
- Share an anecdote about how your life has been affected by a certain organization or issue.
- Share a story about how someone helped you in a meaningful way or how you received help from an organization.

SET UP A "GIVING ALLOWANCE"

Learning by doing provides motivation and experience for the next generation to engage philanthropically. This activity teaches children how to handle charitable donations and demonstrates thoughtfulness and intention in the decision-making process.

First, set up a "giving allowance"—an amount that you feel would be age-appropriate. You can set an allowance per individual or ask the children to come to a consensus. Then, follow the instructions on the following page.

Determine how often you want to do this activity (e.g., monthly, biannually, annually, etc.). Some families choose to do it during the holiday season, on days of recognition (e.g., Earth Day, Veterans Day), or on birthdays. Use the Issue Cards and the Budget Coins from the back of the toolkit to guide your discussion.

I

WORKSHEET

INTRODUCE THE NEXT GENERATION TO PHILANTHROPY

SUGGESTED ACTIVITY FORMAT

- Spread out the Issue Cards on a table. You may choose to omit any issues that will not resonate or are not age-appropriate. Use the write-in cards to add issues, if desired. If you need additional write-in cards, you can substitute sticky notes or index cards.
- Ask the children to select up to three issues that are important to them.
- Review the backs of the selected cards together and circle any specific focus areas of interest (e.g., special education, cancer), or write-in focus areas that are not listed.
- Once the issues have been selected, brainstorm organizations in your community or area that have connections to them. Older children can do Internet research independently. For younger children, you can research online together or ask whether their school raises funds for specific organizations.
- Ask the children to decide on the amount to donate to each issue from their giving allowance. It may help to use the Budget Coins. For younger age groups, using the amount (e.g., $25, $100) may be easier to understand than percentages. Use the write-in coins (or sticky notes) to guide the decision-making process.
- Decide together how you would like to make the donation (e.g., through an online pledge, by check, by contacting the organization).

INVOLVING FAMILY SUMMARY

Now that you have completed Section 3, turn to the Involving Family Summary on the next page. Identify the family members you would like to engage in your philanthropy and outline each family member's contribution in an engagement plan. Tear out the summary to include in your Philanthropy Planner at the end of the toolkit.

3

EPLI PHILANTHROPY PLANNER

INVOLVING FAMILY SUMMARY

INSTRUCTIONS

List the individuals that you would like to involve in your philanthropy.

- ....
- ....
- ....
- ....
- ....
- ....

INSTRUCTIONS

For each name you have listed above, consider what role you want them to have. Also think about their strengths and any concerns you have with involving this person in your philanthropy.

Example	
NAME Martha	**ROLE(S)** Thought Partner
STRENGTHS How would this person help me meet my philanthropic goals? *Knows organizations in the local community. Shares my values and interests.*	**CONCERNS** Why might you hesitate to involve this person? *May be busy with other projects.*
List the topics you would like to discuss with this person: *Recommendations for education organizations.*	Action steps to move forward: *Will ask next lunch.*

FAMILY MEMBER 1	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

FAMILY MEMBER 2	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

FAMILY MEMBER 3	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

FAMILY MEMBER 4	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

FAMILY MEMBER 5	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

FAMILY MEMBER 6	
NAME	ROLE(S)
STRENGTHS How would this person help me meet my philanthropic goals?	CONCERNS Why might you hesitate to involve this person?
List the topics you would like to discuss with this person:	Action steps to move forward:

SECTION 4

HOW DO YOU STRUCTURE YOUR GIVING?

4. STRUCTURING YOUR GIVING

Now that you have defined your philanthropic motivations, values, and focus areas, as well as developed a plan for engaging others in your giving, it is time to develop a concrete structure for your giving.

This section guides you through the following steps:

1. **Determine your philanthropy budget** in order to integrate your philanthropy with your broader financial planning.

2. **Select giving vehicles** best suited to both your personal and philanthropic objectives.

4.1

DETERMINE YOUR PHILANTHROPY BUDGET

It is a personal decision to determine how much to give to your focus areas compared to reserving resources for you and your family's present and future needs. This toolkit intends to focus on proactive giving in the focus areas you identified in **Section 1**. The activities below will help you categorize and distribute your contributions into three buckets:

1. **PROACTIVE GIVING**, which includes contributions to organizations working on your selected issues

2. **REACTIVE GIVING**, which includes contributions to personal requests from family and friends to support their selected issue areas

3. **EMERGENCY GIVING**, which includes contributions to disaster and emergency relief funds, or dire situations that emerge from unexpected policy changes

ACTIVITIES

J Recount Your Contributions

K Set Your Total Philanthropy Budget

L Allocate Your Philanthropy Budget

4.1

Additionally, there are two approaches you can take to arrive at your total philanthropy budget: you can use your previous contributions to inform your future giving related to the values and issues you identified in **Section 1: Finding Your Focus Areas**. Alternately, you may prefer to start with a clean slate to determine how much to give. Regardless of the approach you choose, you may want to discuss your overall financial plan with your advisor before determining your final philanthropy budget and giving cycles.

J

ACTIVITY

RECOUNT YOUR CONTRIBUTIONS

INSTRUCTIONS

This activity is for those who have made previous contributions to their selected issues.

Recount your previous contributions to understand your giving distribution across your selected issues and the total amount allocated. Consider adjustments to make your giving more proactive.

Skip ahead to Activities K and L if you prefer to start from a clean slate with your future giving plans.

J

WORKSHEET

RECOUNT YOUR CONTRIBUTIONS

INSTRUCTIONS

Identify the period of time you would like to review (e.g., a year or two) and recount your contributions. Record your contributions during this period in one of the three giving buckets below. Once you are finished, total each bucket. Reflect on these amounts to understand your giving distribution across your selected issues, and consider any adjustments to make your giving more proactive. Finally, total the amounts from each giving bucket to arrive at your total contribution during this period. Reflect on this total and consider any adjustments you want to make for future giving.

GIVING BUCKET 1 — PROACTIVE GIVING
Donations you made to organizations working on your selected issues.

ISSUE / FUNDING AREA	ORGANIZATION SUPPORTED	ELIGIBLE FOR DEDUCTION (Y / N / NOT SURE)	DATE / MONTH	AMOUNT GIVEN
Education	*Girls Who Code*	*Yes*	*Feb.*	*$750*

TOTAL AMOUNT:

J

WORKSHEET

RECOUNT YOUR CONTRIBUTIONS

GIVING BUCKET 2 — REACTIVE GIVING

Donations you made in response to personal requests from family and friends to support their issues and fundraisers.

ISSUE / FUNDING AREA	ORGANIZATION SUPPORTED	ELIGIBLE FOR DEDUCTION (Y / N / NOT SURE)	DATE / MONTH	AMOUNT GIVEN
Health	*Martha's Alzheimer's disease walk*	*Yes*	*Dec.*	*$250*

TOTAL AMOUNT:

J

WORKSHEET

RECOUNT YOUR CONTRIBUTIONS

The following table reflects contributions from ______________________

to ______________ .

GIVING BUCKET 3 — EMERGENCY GIVING Donations to disaster and emergency relief funds or to social issues as a result of policy changes.				
ISSUE / FUNDING AREA	ORGANIZATION SUPPORTED	ELIGIBLE FOR DEDUCTION (Y / N / NOT SURE)	DATE / MONTH	AMOUNT GIVEN
Disaster relief	*American Red Cross*	*Yes*	*Sept*	*$500*
TOTAL AMOUNT:				

K

ACTIVITY

SET YOUR TOTAL PHILANTHROPY BUDGET

INSTRUCTIONS

Review the questions in Activity K either on your own or with the support of your advisor, and jot down your thoughts. You do not have to answer all the questions.

K

WORKSHEET

SET YOUR TOTAL PHILANTHROPY BUDGET

INSTRUCTIONS

Reflect on the total philanthropy budget written down in the Section 1: Finding Your Focus Areas Section Summary, or identify a new desired total budget. Review the questions below, either on your own or with the support of your advisor, and jot down your thoughts. You do not have to answer every question.

How much do you wish to allocate to your philanthropy in the next year? Over the next three years? The next five to seven years? The next decade or more?

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What future financial situations or developments could affect how much you allocate to your philanthropy?

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What are the potential tax considerations for your different time horizons?

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Given your current financial circumstances, could you think about allocating more?

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K

WORKSHEET

SET YOUR TOTAL PHILANTHROPY BUDGET

Are you in a position to consider giving appreciated assets as part of your philanthropy?

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How have you thought about allocating assets for the next generation?

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Would you like to revisit your allocations in the future? If so, when?

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How much are you setting aside as your total philanthropy budget?

L

ACTIVITY

ALLOCATE YOUR PHILANTHROPY BUDGET

INSTRUCTIONS

Determine how you would like to allocate your total philanthropy budget across your focus areas and giving buckets (i.e., proactive giving, reactive giving, and emergency giving) using the Budget Coins. Adjust your philanthropic allocations until they feel right to you.

L

WORKSHEET

ALLOCATE YOUR PHILANTHROPY BUDGET

INSTRUCTIONS

Determine how you would like to allocate your total philanthropy budget across your focus areas (i.e., proactive giving, reactive giving, and emergency giving) using the Budget Coins.

Write in your total philanthropy budget and the time period. Use the Budget Coins to determine the percentage allocated to each column. Adjust your philanthropic allocations across your three buckets and focus areas until they feel right to you. When you feel satisfied with the allocations, write the budget amount in dollars in the last row.

GIVING BUCKET	*Example*
FOCUS AREA / ISSUE	*Early childhood initiatives in Oakland*
% OF TOTAL PHILOANTHROPY BUDGET	10%
BUDGET ALLOCATED	*$10,000*

L

WORKSHEET

ALLOCATE YOUR PHILANTHROPY BUDGET

Your total philanthropy budget: ______________________________

From ______________________ to ______________________

PROACTIVE GIVING Write in your focus areas (or transfer your selected Issue Cards from the Finding Your Focus Areas Section Summary), including any commitments you have already made that you would like to include in your proactive giving.		
1 Place Issue Card here	2 Place Issue Card here	3 Place Issue Card here
Place Budget Coins here	Place Budget Coins here	Place Budget Coins here

L

WORKSHEET

ALLOCATE YOUR PHILANTHROPY BUDGET

REACTIVE GIVING Record any commitments you have already made that you consider reactive.	**EMERGENCY GIVING** Record any commitments you have already made that you consider emergency.

L

ACTIVITY

BUDGET COINS

10%

10%

10%

10%

10%

10%

10%

10%

5%

5%

10%

WRITE IN

WRITE IN

WRITE IN

WRITE IN

4.2

SELECT YOUR GIVING VEHICLES

A philanthropic giving vehicle provides a structure for you to carry out your giving. This section will help you identify which giving vehicles are best suited to your personal, financial, and philanthropic preferences. Keep in mind that you can achieve your philanthropic objectives through any vehicle; the goal here is to ensure that you select the vehicle or combination of vehicles that best aligns with your broader needs.

ACTIVITY

M Reflect on Your Giving Vehicle Options

MOST COMMON GIVING VEHICLES

CHECKBOOK OR OTHER DIRECT CONTRIBUTIONS

The most common way to make a gift is by writing a check or using a credit card. Such contributions qualify for a same-year tax deduction. You can also qualify for tax deductions when you donate long-term appreciated non-cash assets (e.g., stocks) directly to charitable organizations or foundations. You may want to have a discussion with your advisor about the assets best suited to your goals.

DONOR ADVISED FUNDS

A donor advised fund (DAF) is, in effect, a philanthropic investment account. You can contribute cash, securities, or appreciated non-cash assets to your account and qualify for a same-year tax deduction (equal to the deduction for giving to any public charity).

DAFs are managed by nonprofit entities, community foundations, and the charitable arms of for-profit financial service providers. Each managing entity has different minimum contributions, gifts, investment programs, and fees. DAFs within community foundations offer a local focus, with knowledgeable staff and donor education opportunities to enable place-based giving (conducting some of your giving beyond the local area is also typically allowed). DAFs at for-profit financial service providers and other independent sponsoring organizations offer the opportunity for a broader focus, as well as financial and investment expertise.

While DAFs allow you to postpone decisions about specific contributions (i.e., the nonprofit organizations receiving your gifts), the contributions to the managing entity are irrevocably given to the charitable purpose (though you can move them from one managing entity to another). Once this contribution is made, you can advise, but not direct, the managing entity to support specific recipients. Typically they will do so—as long as those recipients comply with IRS regulations on DAFs and any additional guidelines the entity may set (and should share with you upfront).

PRIVATE FOUNDATIONS

Private foundations are tax-exempt nonprofit organizations that must pay out at least 5% of their assets each year in the form of grants and operating charitable activities. These organizations are also required by the IRS to file an annual Form 990-PF—a publicly available document that describes the foundation's grants, investments, and expenses. You will receive a tax deduction when you transfer assets to a private foundation. A foundation must have a board of directors, typically of three or more persons. Depending on the size and activity of the foundation, paid staff may be necessary for management and administrative work. Some donors want their foundation to exist in perpetuity, while others may wish to spend down all the foundation's assets within their lifetime or over some set period of time.

Operating foundations, a subset of private foundations, primarily conduct their own charitable programs; some also make grants. Operating foundations have a legal classification under the IRS and are required to spend 85% of their assets each year on charitable activities.

LIMITED LIABILITY COMPANIES

Limited liability companies, or LLCs, are business structures that limit donors' personal liability against lawsuits. LLCs are pass-through entities that can also function as philanthropic vehicles. As with business LLCs, income and charitable tax attributes flow through to its member(s). Contributions to the LLC itself are not deductible for charitable income tax purposes; it is only when the LLC makes a charitable contribution that its member(s) are eligible for a tax deduction. LLCs do not have annual distribution or public disclosure requirements.

CHARITABLE GIVING THROUGH ESTATE PLANNING

These vehicles allow donors to benefit both non-charitable beneficiaries (i.e., the donor, the donor's children, etc.) as well as charitable organizations. These trusts can be created during the donor's lifetime or in a will.

CHARITABLE REMAINDER TRUSTS

Charitable remainder trusts are irrevocable trusts from which there are payouts for life or a period of up to twenty years to a non-charitable beneficiary, after which one or more charities receive whatever is left (the "remainder"). For example, the trust may provide that the donor (or the donor and spouse, or any person named) gets the income for life, or for several years, and that everything left goes to a specified charity. Only the remainder is treated as a charitable gift; this amount is tax deductible when you create the trust.

CHARITABLE LEAD TRUSTS

Charitable lead trusts reverse the charitable remainder trust—that is, the charities get paid out first. A charitable lead trust is an irrevocable trust that makes at least annual payments to designated charities for a set period of time. After that period, the trust ends and the balance passes to designated non-charitable beneficiaries, such as family members or others.

BEQUESTS

Bequests are gifts from your assets—whether they be a transfer of cash, securities, or other property—made through your estate plan or will. You can make a bequest to designated charitable organizations by including language in your will or living trust. You can also designate an organization as a beneficiary of your retirement account or life insurance policy.

M

ACTIVITY

REFLECT ON YOUR GIVING VEHICLE OPTIONS

INSTRUCTIONS

Review the list of giving vehicle considerations below. This list is not exhaustive, and we encourage you to speak to your advisor and those involved in your philanthropic decision-making about additional considerations relevant to your personal situation, preferences, and goals.

1. **ADMINISTRATIVE SUPPORT:** Are you willing to invest your time and effort on an ongoing basis and hire paid staff for your vehicle?
2. **ANONYMITY:** Do you prefer to give anonymously?
3. **ASSET GROWTH POTENTIAL:** Would you want your philanthropic investment to increase in value over time?
4. **CONTROL OVER GIVING:** Would you want to retain control over how beneficiaries use donated funds?
5. **DISTRIBUTION REQUIREMENT:** Would you want a vehicle with an annual distribution requirement in place to keep your philanthropy moving?
6. **FAMILY INVOLVEMENT:** Do you want your family members involved in giving decisions?
7. **IMPACT INVESTMENTS:** Would you like to make investments that generate social as well as financial returns? For more information on impact investing, see **Additional Resources: Section 4** at the end of this toolkit.
8. **PERPETUITY:** Do you want the structure to exist in perpetuity or would you prefer it to spend down in your lifetime or some set period of time?

Continued on the following page.

M

ACTIVITY

REFLECT ON YOUR GIVING VEHICLE OPTIONS

9. **POLITICAL CONTRIBUTIONS:** Do you want to make political donations and engage in lobbying? Direct political contributions are not tax-deductible, though some lobbying and advocacy can be, depending on a number of factors. Seek further professional advice if politics is a priority issue for you.

10. **PUBLIC DISCLOSURE:** Are you willing to submit separate tax records that will be available to the public?

11. **TAX IMPLICATIONS:** Are tax implications important to your choice of vehicle? To understand how different taxes may be affected by your giving, see **Additional Resources: Section 4** at the end of this toolkit.

WORKSHEET

REFLECT ON YOUR GIVING VEHICLE OPTIONS

INSTRUCTIONS

Complete the survey below to identify your preferences when choosing a giving vehicle. For each consideration, determine how important it is to your philanthropy. Your responses will be useful when reviewing the EPLI Giving Vehicles Comparison Chart.

CONSIDERATIONS
ADMINISTRATIVE SUPPORT: Are you willing to invest your time and effort on an ongoing basis and hire paid staff for your vehicle?
ANONYMITY: Do you prefer to give anonymously?
ASSET GROWTH POTENTIAL: Would you want your philanthropic investment to increase in value over time?
CONTROL OVER GIVING: Would you want to retain total control over funding decisions?
DISTRIBUTION REQUIREMENT: Would you want a vehicle with an annual distribution requirement in place to keep your philanthropy moving?
FAMILY INVOLVEMENT: Do you want your family members involved in giving decisions?
IMPACT INVESTMENTS: Would you like to make investments that generate social as well as financial returns? *For more information on impact investing, see **Additional Resources: Section 4** at the end of this toolkit.
PERPETUITY: Do you want the structure to exist in perpetuity?
POLITICAL CONTRIBUTIONS: Do you want to make political donations and engage in lobbying? Direct political contributions are not tax-deductible, though some lobbying and advocacy can be, depending on a number of factors. Seek further professional advice if politics is a priority issue for you.
PUBLIC DISCLOSURE: Are you willing to submit separate tax records that will be available to the public?
TAX IMPLICATIONS: Are tax implications important to your choice of vehicle? To understand how different taxes may be affected by your giving, see **Additional Resources: Section 4.**

WORKSHEET

REFLECT ON YOUR GIVING VEHICLE OPTIONS

YES	NO	NOT SURE	HOW IMPORTANT IS THIS TO YOU? (1=NOT VERY / 5=VERY)
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5
○	○	○	1 2 3 4 5

RESOURCE

EPLI GIVING VEHICLE COMPARISON CHART

Review the EPLI Giving Vehicle Comparison Chart to determine how your preferences align with the different giving vehicles available.

EPLI has highlighted the four most common giving vehicles that also allow you to give during your lifetime: checkbook/ other direct donations, donor advised funds (DAFs), private foundations, and limited liability companies (LLCs). These vehicles in particular allow for more flexibility in your philanthropy. We encourage you to discuss these options with a trusted advisor.

EFFECTIVE PHILANTHROPY LEARNING INITIATIVE

GIVING VEHICLES COMPARISON CHART

Table continues on back

CONSIDERATIONS	CHECKBOOK / OTHER DIRECT DONATIONS	DONOR ADVISED FUND (DAF)	PRIVATE FOUNDATION	LIMITED LIABILITY COMPANY (LLC)
ADMINISTRATIVE SUPPORT Do you need support for due diligence and administration, and can support be paid for by tax-exempt dollars?	~ The amount of support needed depends on the complexity of your gifts. Support is not tax-deductible.	~ The sponsor carries out administrative responsibilities. Extent of due diligence varies.	~ Administrative responsibilities may be performed by paid staff or outsourced—and paid for from tax-exempt dollars.	~ Administrative work is typically carried out by paid staff and is not tax-deductible.
ANONYMITY AND PUBLIC DISCLOSURE Can you give anonymously?	✓ Yes	✓ Yes	✗ No, private foundations are required to disclose the names of grantees and significant contributors (those who give more than $5,000 in a year) on the annual 990-PF Form.	✓ Yes
ASSET GROWTH POTENTIAL AND INVESTMENT DECISIONS Will your philanthropic assets increase in value over time? If you can make philanthropic investments, do you have control over how to invest?	✗ Not as such. Your philanthropic assets are not differentiated from your other assets. If you give assets to charity before selling them, however, you will not pay tax on the gains.	✓ Yes. Any growth in assets is tax-free, offering the opportunity for greater philanthropic giving in the future. However, in most cases, the DAF sponsor is responsible for investment decisions.	✓ Yes. Any growth in assets is exempt from income tax, though it is subject to the 1%–2% foundation excise tax.	✗ No
CONTROL OVER GRANTMAKING Can you retain control over funding decisions?	✓ Yes	~ Donors can advise the DAF sponsor on how to distribute their DAF's assets, but the final funding decisions rest with the DAF sponsor. While donors are subject to IRS regulations on DAFs and the managing entity's policies, sponsors will usually act as advised.	✓ Yes, subject to the approval of the foundation board.	✓ Yes
DISTRIBUTION REQUIREMENT Is there an annual distribution requirement in place to keep your philanthropy moving?	✗ No	✗ No; though some DAFs have a minimum annual distribution requirement, which can begin at $5,000, or a policy for funds that are inactive for two to three years.*	✓ Yes; private foundations are required to distribute 5% of their assets annually.	✗ No

✓ = yes ✗ = no ~ = sometimes

*National Philanthropic Trust. "Giving Vehicles Comparison." nptrust.org/donor-advised-funds/daf-vs-foundation

EFFECTIVE PHILANTHROPY LEARNING INITIATIVE

GIVING VEHICLES COMPARISON CHART

CONSIDERATIONS	CHECKBOOK / OTHER DIRECT DONATIONS	DONOR ADVISED FUND (DAF)	PRIVATE FOUNDATION	LIMITED LIABILITY COMPANY (LLC)
FAMILY INVOLVEMENT Can your family members be involved in grantmaking decisions?	✓ Yes; this involvement will be informal.	✓ Yes; family members can have their own funds and/or can be named as successors to yours.	✓ Yes; this involvement can be formal, with family members serving on the board or as staff.	✓ Yes; this involvement can be formal, with family members serving on the board or as staff.
IMPACT INVESTMENTS Can you make investments that generate social as well as financial returns?	✓ Yes, but income made from impact investments may be taxable.	✓ Yes, an increasing number of DAFs are permitting funds under their management to be used for impact investments.	✓ Yes, private foundations can make program-related investments (PRIs) and mission-related investments (MRIs).	✓ Yes, but income made from impact investments may be taxable.
PERPETUITY Can the structure exist in perpetuity?	✗ No	✓ Yes; named advisors and successors can keep DAFs running in perpetuity.	✓ Yes; the endowment can either exist in perpetuity or be spent down over a period of time.	✓ Yes
POLITICAL CONTRIBUTIONS Can you make political donations or engage in lobbying?	✓ Yes; these contributions are not tax deductible.	✗ No—but public charities—including those to which you recommend donations and those that sponsor DAFs—can engage in lobbying, and community foundations can make grants for lobbying up to a certain limit.*	✗ No—but public charities to which you donate can allocate a portion of unrestricted general operating grants to lobbying.	✓ Yes; these contributions are not tax deductible.
TAX IMPLICATIONS What tax implications does this vehicle have for my giving?	✓ You are entitled to tax deductions if you support 501(c)(3) organizations.	✓ The entire amount given to a DAF is immediately tax deductible and you can give to it multiple times.	✓ The donor is eligible for a tax deduction when assets are transferred to the foundation—though on less favorable terms than gifts to public charities and DAFs. The income from assets held by a foundation is not subject to income tax, but foundations must pay an annual excise tax of 1%–2% of net investment income.	✓ When contributions are made to a 501(c)(3) organization, the LLC's members are eligible for a tax deduction; there is no deduction for support given to political activities or impact investments.

*Alliance for Justice. "Bolder Advocacy Playbook." bolderadvocacy.org/wp-content/uploads/2015/09/AFJ-Advocacy-Playbook-web.pdf

STRUCTURING YOUR GIVING SUMMARY

Now that you have completed Section 4, turn to the Structuring Your Giving Summary on the next page. Rank the giving vehicles best suited to your preferences and identify next steps for setting them up. Tear out the completed table to include in your Philanthropy Planner at the end of this toolkit.

4

EPLI PHILANTHROPY PLANNER

STRUCTURING YOUR GIVING SUMMARY

INSTRUCTIONS

After reviewing the Giving Vehicles Comparison Chart together with your worksheet responses, rank the giving vehicles best suited to your preferences. Identify concerns, questions, and next steps you want to discuss with your advisor about setting up your giving vehicles. Tear out the completed pages to include in your Philanthropy Planner at the end of this toolkit.

Which giving vehicles would be best suited to my preferences?

1. ....
2. ....
3. ....
4. ....

Questions / Concerns:

Next Steps:

STRUCTURING YOUR GIVING SUMMARY

SECTION 5

HOW DO YOU FIND & VET ORGANIZATIONS?

5. FINDING & VETTING

You are now ready to search for effective organizations aligned with your philanthropic goals. Even if you do not find a perfectly matching organization, your research will help you understand the landscape and learn which organizations address your broader issues as well as their method for doing so.

You may already have organizations in mind, but we nonetheless encourage you to take time to learn about other organizations working in your focus areas to ensure your giving is as effective as possible.

This section guides you through the following steps:

1. **Find organizations in your focus areas.**
2. **Understand how organizations can achieve their intended outcomes.**
3. **Vet organizations** to identify those working effectively.

5.1

FIND FOCUS-ALIGNED ORGANIZATIONS

Proactively identifying organizations to fund, rather than reactively responding to miscellaneous funding requests, makes it more likely that you will support organizations aligned with your philanthropic goals. The search process also helps you learn more about the landscape of your focus areas, making your philanthropy more effective. You will take two main steps to find organizations: **seeking recommendations** from your networks and **researching online**.

SEEK RECOMMENDATIONS FROM YOUR NETWORKS

If you have family, friends, or professional acquaintances with significant experience in your focus areas, consider asking them to recommend organizations that they know of or volunteer with. Make sure you understand the depth of their experience with their recommended organizations, why they recommend them, and what biases may affect their recommendations.

You can also seek recommendations from issue-area experts. For example, you may ask a friend who is a human rights lawyer about organizations supporting immigrant rights, or an oncologist about current cancer research. Experienced donors in your focus area are another good source of recommendations.

Professional philanthropic advisors and donor networks can also help you identify effective organizations working in your focus areas. Refer to the Philanthropist Resource Directory (PRD) database on our website for information on professional philanthropic advisors and donor networks who are familiar with your areas of interest.
pacscenter.stanford.edu/prd

If you are looking for place-based funding recommendations, community foundations often understand the local landscape of nonprofit organizations. The Council on Foundations has a publicly available tool you can use to search for community foundations by location.
cof.org/community-foundation-locator

RESEARCH ONLINE

Use the Internet to find organizations in your focus areas. The following resources will be helpful in your search.

ONLINE SEARCH ENGINES

A focused online search is the most comprehensive way to find nonprofit organizations. The more specific you are about your focus areas, the more likely your search query is to be useful.

Create targeted search queries by including your issue or focus area, the populations or groups you want to help, and (if relevant) your geographic interests. Note that you may want to change the word order of your search queries depending on your personal preferences. For example, if you are more interested in a particular population than a specific location, place the population before the location. Here are a few examples of searches that provide focused results:

- nonprofit organization education low income students in Boston
- nonprofit mental health services in Wisconsin for youth
- charities global health women organizations

ORGANIZATIONS' WEBSITES

Look on the website of each organization that is a candidate for your giving for pages with titles like "About Us" or "About [the Organization]" and "Programs and Services," and read them carefully to see how the organization aligns with your focus area. If you are interested in volunteering with the organization before making a gift, look for titles like "Get Involved" to look up ongoing volunteer activities, or see if the organization has any public events or benefits you might attend.

Note that maintaining a sophisticated website requires significant resources that an effective organization may have chosen to direct elsewhere; website design does not necessarily correlate with the organization's effectiveness.

CURATED ONLINE LISTS OF ORGANIZATIONS

You can also use curated online lists to learn about more organizations. Here are some places you can find these lists.

Foundation grantee lists
Foundations have specialized professional staff who thoroughly vet nonprofit organizations before funding them. Many large foundations share a list of their grantees online. Search for foundations aligned with your philanthropic goals, and then look at their grantees.

If you have trouble identifying relevant foundations, consider using the Foundation Center's fee-for-service Foundation Maps tool, which provides easy-to-read visuals of foundations and grantees that can be organized by issue area and geography. Note that in 2019, the Foundation Center and GuideStar joined forces to become Candid.
maps.foundationcenter.org

Issue funds
Issue funds can help you learn about organizations that work on a particular issue or focus area. Overseen by a fund manager with expertise in a subject, issue funds aggregate donor contributions and distribute them to relevant nonprofit organizations. For more information on issue funds and how to find them, see **Additional Resources: Section 5** at the end of this toolkit.

Lists curated for humanitarian, emergency, and disaster relief
At the time of a natural disaster or humanitarian crisis, community foundations and charitable arms of financial institutions often provide curated lists of nonprofit organizations addressing humanitarian, emergency, and disaster

relief. These lists guide donors to relief and rebuilding efforts. Each organization has its own methodology for assessing a nonprofit's effectiveness. In addition to meeting immediate needs through emergency giving, proactive gifts can sustain disaster preparedness efforts in vulnerable communities and long-term recovery in post-crisis communities. For more information on disaster philanthropy, see **Additional Resources: Section 5** at the end of this toolkit.

GiveWell

GiveWell is a nonprofit organization, primarily focused on global poverty, health, and direct aid. It recommends a short list of cost-effective, underfunded organizations based on rigorous research. Each of its recommendations explain how GiveWell assessed the organization's effectiveness.
givewell.org

NONPROFIT DATABASES

GuideStar Charity Check

GuideStar Charity Check, now under the nonprofit entity Candid, provides snapshots of more than 1.5 million IRS-registered nonprofit organizations in the United States, with information about each organization's mission, programs, outputs, outcomes, financial standing, and leadership. Although all information is self-reported, each organization is given a transparency rating based on the information it shares: Bronze for providing basic information; Silver for including financial data; Gold for providing data on organizational impact; and Platinum for providing data from the previous tiers as well as the metrics used to evaluate progress toward its mission. In other words, GuideStar Charity Check remains neutral about content, rating organizations only on the availability of self-reported information. GuideStar Charity Check also provides additional filters and affiliation searches to paid premium and professional accounts.
guidestar.org

Charity Navigator

Charity Navigator rates over 9,000 US-based nonprofit organizations that have generated at least $1 million in revenue for two consecutive years. Its rating scale of one to four stars is based on financial health, accountability

(willingness to explain actions), and transparency (willingness to provide information publicly). We do not recommend relying on Charity Navigator's financial health measure, as its algorithm penalizes organizations with high overhead costs, and some organizations—especially those providing direct services—naturally have higher overhead costs due to the nature of their work.
charitynavigator.org

Once you have a list of organizations you want to research further, you can begin looking up their financial health and leadership through Candid's GuideStar Charity Check, or through Charity Navigator.

WHEN TO STOP YOUR SEARCH

At some point, you will stop searching for organizations and begin vetting those on your list. What that point is depends on how many plausible candidates you've identified, how much time and capacity you have to devote to the process, and your own preferences for comprehensiveness. You may wish to ensure that you don't miss any organizations in the field, or you may be satisfied after finding a handful of good candidates.

LANDSCAPE ANALYSIS

A landscape analysis helps you learn about the best research, strategies, stakeholders, organizations, and funders in your focus area. If you have limited time but want to make sure you have a strong grasp of the issue, stakeholders, other donor activity, and policies affecting your interest area, it is common to engage a consultant to create a custom landscape analysis for you. A landscape analysis can take a few weeks or a few months and generally begins with desk research—internet searches and literature reviews about a field. You (or the consultant) can supplement this by talking to principal stakeholders, including your intended beneficiaries, nonprofits, other funders, scholars, government officials, business leaders, and community members. For example, the landscape analysis and online funding map about ocean conservation below provides a comprehensive study of key stakeholders and priorities:

Landscape analysis examples:

- issuelab.org/resource/launching-the-grand-challenges-for-ocean-conservation.html
- hewlett.org/library/landscape-analysis-of-youth-serving-funding-and-nonprofit-communities-in-the-san-francisco-bay-area

Funding map example:

- fundingtheocean.org

If you would like to conduct a landscape analysis on your own, please refer to Stanford PACS' *Guide to Effective Philanthropy* for a DIY Landscape Analysis Activity in Chapter 7: Finding Effective Organizations which is available in print or on our website.
pacscenter.stanford.edu/donorguide

5.2

UNDERSTAND HOW ORGANIZATIONS CAN ACHIEVE THEIR INTENDED OUTCOMES

The following comparison chart describes three different approaches to addressing social and environmental problems. The approaches are not mutually exclusive—donors, and even organizations, can use more than one approach. Use the charts to better understand the organizations you have identified so far. Then reflect on whether some approaches might be better suited than others to achieving your philanthropic goals in a focus area.

ACTIVITY

N Shortlist Organizations

5.2

Three different approaches to addressing social problems:

APPROACH	WHAT IS IT?	TIMELINE
DIRECTLY PROVIDING GOODS AND SERVICES	Engages directly with beneficiaries through programs and services *Examples: women's shelters, soup kitchens, health clinics*	Short term
SUPPORTING RESEARCH AND DEVELOPMENT OF KNOWLEDGE	Supports the generation and dissemination of research and applied knowledge, as well as educational and cultural organizations *Examples: cancer research by medical schools, policy research by think tanks*	Long term
ADVOCACY, MOVEMENT-BUILDING, AND CHANGING SOCIETAL MINDSETS / SYSTEMS	Aims to address structural and systemic causes of a problem, generally by changing policies and laws to protect rights or promote interests; or attempts to change mindsets across society *Examples: campaigns to mitigate climate change, campaigns for nutritional labels on foods, living wage campaigns, gay-rights movements, reproductive health movement*	Long term

VISIBILITY OF RESULTS	SYSTEMIC CHANGE	LIKELIHOOD OF SUCCESS
High	No	High
Seldom	Not usually	Varies depending on project scope
High	Yes	Varies depending on campaign scope

These examples show how issues can be addressed using different approaches:

ISSUE: SUICIDE PREVENTION (MENTAL HEALTH)		
PROVIDING GOODS & SERVICES	**PROMOTING KNOWLEDGE**	**ADVOCACY & MOVEMENT-BUILDING**
Crisis helplines for individual suicide prevention	Suicide prevention peer-training workshops for underserved populations	Campaigning for mental health coverage under health insurance

ISSUE: ANIMAL RESCUE (ANIMAL WELFARE)		
PROVIDING GOODS & SERVICES	**PROMOTING KNOWLEDGE**	**ADVOCACY & MOVEMENT-BUILDING**
Animal rescue services and shelters	Training and research on best practices for shelters	Advocating for more humane policies that regulate breeding

ISSUE: NATIONAL PARK CONSERVATION (NATURAL RESOURCES CONSERVATION & PROTECTION)		
PROVIDING GOODS & SERVICES	**PROMOTING KNOWLEDGE**	**ADVOCACY & MOVEMENT-BUILDING**
After-school and summer national park programs for children	Monitoring of park conservation efforts	Advocating for more federal funding for national parks

N

ACTIVITY

SHORTLIST ORGANIZATIONS

INSTRUCTIONS

For each focus area, select organizations in your vetting process. Use the different approaches to help you shortlist organizations you may want to fund.

N

WORKSHEET

SHORTLIST ORGANIZATIONS

INSTRUCTIONS

For each focus area, shortlist organizations that you would like to review further.

	ORGANIZATION 1
WHO DOES THE ORGANIZATION AIM TO SERVE?	
WHERE DOES THE ORGANIZATION FOCUS ITS WORK?	
WEBSITE / NAME OF CONTACT / CONTACT INFORMATION	
HOW DOES THIS ORGANIZATION ALIGN WITH YOUR PHILANTHROPIC GOALS?	
WHEN YOU ARE SATISFIED WITH YOUR LIST, SELECT THE ORGANIZATIONS YOU WILL INCLUDE IN YOUR VETTING PROCESS.	☐ Shortlisted for due diligence ☐ Due diligence completed

N

WORKSHEET

SHORTLIST ORGANIZATIONS

ORGANIZATION 2	ORGANIZATION 3
☐ Shortlisted for due diligence ☐ Due diligence completed	☐ Shortlisted for due diligence ☐ Due diligence completed

5.3

VET ORGANIZATIONS

You can now vet the organizations you have shortlisted through the process of due diligence. Due diligence involves assessing an organization's legal status, overall health, strategic direction, and programmatic impact. Completing this process thoroughly will enable you to make confident funding decisions.

The following tables outline the vetting areas on which your due diligence process will focus.

ACTIVITY

- O Conduct Due Diligence

VETTING AREAS	WHY IS THIS IMPORTANT TO CONSIDER?
LEGAL STATUS UNDER THE INTERNAL REVENUE CODE	Only contributions to an organization with 501(c)(3) are tax deductible.
ORGANIZATIONAL HISTORY	An organization's track record is indicative of its experience in the field.
STRATEGY	Effective organizations are clear about their goals and the approach they take toward meeting them.
PROGRAMS & SERVICES	Effective organizations have consistent and complementary programs and are not spread too thin.
GOVERNANCE & MANAGEMENT	Senior staff should have experience and knowledge relevant to the organization's goals. Board members should have the expertise to provide strategic direction.
FINANCIALS	Effective organizations ensure their financial health by managing their budgets efficiently, fundraising from a diversified stream of donors, tracking, and having resources in reserve.
MONITORING AND EVALUATION *(See explanation)*	Effective organizations function as *learning organizations* by tracking program outcomes and obtaining continuous feedback that informs their current and future work.

POSSIBLE RED FLAGS
• Not legally registered as a charitable organization—e.g., 501(c)(3) or 501(c)(4) registration for US organizations
• Negative press coverage (current or past)
• Repeated changes in organization's strategy and vision • Pursuit of multiple, disparate strategies with limited resources
• Programs/services are spread across multiple, disconnected issues or focus areas • No signs of meaningful engagement with the target population
• A series of major changes in leadership (e.g., in the position of executive director, chief executive officer, chief finance officer) • Board members or significant donors have conflicts of interest • Board lacks expertise about nonprofit governance or lacks representation from the organization's intended beneficiaries
• For organizations with an annual budget over $1 million, no audited financial statements (as required by the IRS) • Growing deficit or unexplained financial volatility • Reliance on a single donor or a small group of donors
• No statements or reports on recent work and results • Reports show no indication that strategies have been adapted to address challenges and lessons from past work

Your due diligence on a nonprofit organization may raise red flags related to the organization's operations, leadership, or programs. Not all red flags are necessarily deal breakers. Some may be challenges that exist for a fixed period of time (e.g., an executive director in transition, a temporary deficit in the current financial year), while others may be more pervasive or ongoing (e.g., lack of program data, lack of focus).

This table lists some common red flags encountered in due diligence. Consider the donor reflection questions related to each of the red flags to help you weigh their significance when deciding whether to support the organization. Ultimately, it is up to you to determine the weight a red flag will hold in your funding decision.

RED FLAG TABLE

Table continues on back

	TRANSPARENCY	LEGAL STATUS / ORGANIZATIONAL HISTORY		STRATEGY			
POSSIBLE RED FLAGS	Basic information is not made publicly available, including one or more of the following: the organization's approach, programs and services, or board members.	The organization is not legally registered as a charitable organization in the US—i.e., 501(c)(3) or 501(c)(4).	Research turns up negative press coverage (current or past).	It is not clear where the organization is headed in the near future.	The organization is undergoing a change in its approach/vision.	The organization does not seem to engage its target population in a meaningful way.	The organization pursues multiple, disparate strategies with limited resources.
FOLLOW-UP QUESTIONS	• Does the organization provide contact information? • When contacted, is the organization transparent about its work? Is there a particular reason it does not share its information widely?	• Is the organization registered outside of the US? If so, where? • Why is the organization unregistered?	• If there is controversy surrounding the organization, is it a positive indication that they are making an impact on a difficult issue, or is it due to a more problematic situation? • How has the organization addressed or responded to the issues in the negative press coverage?	• Is the organization in a transition phase? • Is the organization working in a dynamic field that requires flexibility? • Can the organization's staff clearly articulate the current program goals?	• What are the reasons for this change? • How was the new approach/ vision determined?	• What barriers might the organization face in engaging its target population? • How does the organization take the target population's perspectives into account?	• Why does the organization employ such strategies?
DONOR REFLECTION QUESTIONS	• Do you have enough information to get a sense of the broad areas of due diligence and to feel comfortable funding the organization?	• Are you willing to support an organization not registered in the US? • Is it necessary that your gift be tax deductible?	• Do you feel that the organization has appropriately and sufficiently responded to the issues brought up by the press coverage?	• Do you feel that the organization has enough future direction that your funds can contribute to its progress?	• Are you willing to support an organization's efforts to change its approach/ vision?	• Do you feel the organization sufficiently engages the target population given the focus area?	• Do you feel the organization places sufficient emphasis on the strategies that are most important to you?

RED FLAG TABLE

	PROGRAMS & SERVICES	GOVERNANCE & MANAGEMENT			MONITORING & EVALUATION		
POSSIBLE RED FLAGS	Programs/services are spread thin across multiple, incohesive issues and focus areas.	The organization has undergone a series of major leadership transitions (e.g., changes in executive director, chief executive officer, chief finance officer).	Board members or significant donors have conflicts of interest.	The board lacks expertise about and representation from the organization's intended beneficiaries.	The organization does not clearly track its work and impact.	The organization has had a series of ineffective programs and does not apply lessons learned to its future work.	The organization pursues multiple, disparate strategies with limited resources.
FOLLOW-UP QUESTIONS	• Is the organization large enough to justify such a wide focus? • Is the organization able to demonstrate past success across its focus areas?	• Is the organization transparent about these transitions and the factors that caused them? • How has the organization handled the transitions?	• Is the organization transparent about any conflicts of interest? • How does it address the conflicts? • How might the conflicts affect the organization's work?	• What barriers may the organization face in engaging these key players? • How does the board try to make up for the lack of this perspective?	• Does the organization have sufficient capacity (e.g., staff, expertise) to track its work and impact? • How does the organization know it is making progress?	• What does the organization do with the information it collects about its past programs? • How does the organization seek to improve its programs and general functioning?	• Why does the organization employ such strategies?
DONOR REFLECTION QUESTIONS	• Do you feel the organization places sufficient emphasis on the programs and services that most interest you?	• Are you willing to support an organization undergoing a leadership transition?	• Do any conflicts of interest affect the organization's alignment with your philanthropic goals?	• How does this organization's beneficiary representation compare to that of others in its field?	• Do you trust the organization's account of progress in its programs? • Are you comfortable supporting a program that has yet to collect data on its work and impact (e.g., through pilot programs or trials)?	• Do you consider ineffective programs part of the learning process? • Does the organization demonstrate interest in improving its programs?	• Do you feel the organization places sufficient emphasis on the strategies that are most important to you?

	FINANCIALS		
POSSIBLE RED FLAGS	An organization with an annual budget over $1 million does not have audited financial statements (as required by the IRS).	The organization relies on a single donor or a small group of donors.	The organization has a growing deficit or has demonstrated extreme volatility.
FOLLOW-UP QUESTIONS	• Is the organization generally transparent about its finances?	• Does the organization have a feasible strategy in place to diversify its revenue sources?	• What factors have contributed to this financial state? Is the organization working in a volatile field? • What is the organization doing to address its deficit in the next 2–3 years (e.g., fundraising activity, revenue generation)?
DONOR REFLECTION QUESTIONS	• Are you willing to support an organization that does not comply with audit requirements?	• Are you willing to be part of a smaller group of donors or to be the only donor supporting an organization?	• Do you consider a current deficit a significant risk? • Are you tolerant of some financial volatility in the organizations you choose?

MONITORING & EVALUATION

Understanding how an organization learns from experience is an essential component of effective due diligence. We separate the learning process into two categories: **monitoring** and **evaluation**.

Organizations have a wide range of measurement and evaluation reporting practices, from very basic to quite sophisticated. Sophisticated program measurement and evaluation is resource-intensive and should not necessarily be expected from every organization. If identified as a primary need by the organization's leadership, it is common for donors to support improving and expanding an organization's measurement and evaluation strategy and implementation.

MONITORING

Monitoring is the systematic, routine collection of information from an organization's programs and services, usually undertaken by the organization itself. Monitoring focuses on predetermined key indicators (qualitative or quantitative) that help organizations assess their performance, such as beneficiary engagement and feedback, program implementation, finances, and unintended harms. Highly effective organizations set targets for these indicators and measure their progress toward them. These targets should be SMART (specific, measurable, attainable, realistic, and timely). This enables organizations to learn from their work and continually refine their programs.

EVALUATION

Evaluation helps organizations understand their programs' effectiveness in achieving their intended outcomes. Evaluation can be carried out within an organization or by an external evaluator. Internal evaluation offers the benefit of deep contextual understanding, while external evaluation offers the benefit of outside expertise and credibility through a neutral third party.

Referring to the three basic approaches described in **Section 5.2** on achieving social outcomes, it is usually easiest to evaluate the outcomes of service delivery programs and can be difficult to evaluate the outcomes of advocacy, field-building, and promoting knowledge—which often have long time horizons and depend on the contributions of many actors. In these cases, evaluations may be more qualitative than quantitative.

If you are interested in learning to more deeply assess an organization's strategy and evaluation process, see **Additional Resources: Section 5** at the end of this toolkit.

ACTIVITY

CONDUCT DUE DILIGENCE

INSTRUCTIONS

Complete due diligence on your shortlisted organizations, either on your own or with an advisor.

Much of the information you need will be on an organization's website, in recent annual reports, or in the online resources listed at the back of the toolkit. If some information is not readily available, you may consider contacting the organization. In conducting your due diligence, don't let your information requests be a drain on the organization's time and resources. Ensure that the amount of information you are requesting is commensurate with the size of your intended gift.

ACTIVITY

CONDUCT DUE DILIGENCE

INSTRUCTIONS

For each organization on your shortlist, conduct due diligence to assess its effectiveness and look for red flags in order to make your funding decisions. Circle any questions you plan to review later. It may help to read the questions before you begin your research.

Caveats before your due diligence:

- **You do not have to answer every question in detail before funding an organization**—many organizations do not have all of this information available but are still extremely effective.
- On the other hand, if most of this information is difficult to find, that could raise a red flag.
- Do not rush to judgment based on an organization's website—maintaining a compelling online presence requires significant staff capacity that may be focused elsewhere.
- If any of your research raises concerns, consult the red flags table in **Section 5.3** to understand how to move forward with your decision-making.

Continued on the following page.

ACTIVITY

CONDUCT DUE DILIGENCE

LEGAL STATUS / ORGANIZATIONAL HISTORY	
Is the organization legally registered?	Legal registration signals that organizations are adhering to basic standards and accountability frameworks in the country in which they work. Some organizations, like houses of worship, are not always registered. In the United States, a nonprofit will generally be registered as a 501(c)(3) or 501(c)(4) organization. Gifts to a 501(c)(3) are tax deductible; those to a 501(c)(4) are not. International organizations can set up fiscal sponsors to provide tax benefits for their US donors.
Is media coverage (if any) of the organization positive?	Conduct a quick Internet search of your organization. A lack of media coverage is not a red flag—it can be extremely difficult for smaller organizations doing impactful work to gain media coverage. However, a series of scandals and negative public perception may present concerns about an organization's work.
STRATEGY	
Does the organization clearly define its goals and strategy for creating social change?	Reading an organization's mission statement or theory of change can help you get a sense of this. Effective organizations clearly define their goals and the approach they take to meet these goals.
PROGRAMS & SERVICES	
Are the organization's programs and services aligned with its mission and goals?	An organization's missions and goals should be consistent—or at least complementary—across its various programs and services. It is important to ensure that the organization's programs are not spread too thin across disparate areas.

GOVERNANCE & MANAGEMENT	
Does the organization's senior staff have the relevant experience, knowledge, and skills needed for their work?	A variety of factors can indicate staff members' capability; one key factor is depth of experience within their field. Other factors can include familiarity with beneficiary communities and diverse skill sets across the staff as a whole. It is also important that the staff represent an organizational commitment to diversity and inclusion. Many nonprofit organizations include staff bios on their websites; for each organization, consider whether the staff size is appropriate and the roles are well-rounded for the organization's scope of work.
Does the organization's board have the well-rounded experience, knowledge, and skill needed to provide the organization with strategic direction?	Boards can play an important role in providing legal, technical, and strategic guidance; checks and balances within organizational structure; and fundraising support. It is important to have a diverse, inclusive board with active members who do not present any conflicts of interest with the organization's work.
FINANCIALS	
Along with your other sources, Nonprofit Explorer can help you find the financial information you need for this section. This online database provides data from nonprofit tax returns and PDFs of full Form 990 documents. **projects.propublica.org/nonprofits**	
Have the organization's financial records been audited?	Nonprofits with gross annual revenues of $1 million or more may be required by the IRS to provide an audited financial statement prepared by an independent CPA. A nonprofit with gross annual revenue between $750,000 and $1 million must provide a financial review by an independent CPA. If the nonprofit is not legally required to be audited and has not been audited, this is not a red flag—audits can be expensive for smaller organizations, and may be unnecessary for their level of financial complexity.
MONITORING & EVALUATION	
Does the organization share how it tracks and measures the success of its work?	This information is often provided in annual reports or other documents. It is important for organizations to track past outcomes to inform their current and future work. A lack of a successful track record does not have to deter your gift—what is important is that the organization collects outcomes for its programs, is transparent about its failures, and intentionally applies the lessons learned to its next initiative.

O

WORKSHEET

CONDUCT DUE DILIGENCE

LEGAL STATUS/ORGANIZATIONAL HISTORY	YES	NO	NOT SURE
Is the organization legally registered?	○	○	○
Does the organization have offices in the regions where it works? If so, where?	○	○	○
Is media coverage (if any) of the organization positive?	○	○	○
GOALS AND APPROACH			
Does the organization clearly define its goals and strategy for creating social change?	○	○	○
PROGRAMS AND SERVICES			
Are the organization's programs and services aligned with its mission and goals?	○	○	○
GOVERNANCE AND MANAGEMENT			
Does the organization's senior staff have the relevant experience, knowledge, and skills needed in their work?	○	○	○
Does the organization's board have well-rounded and appropriate experience, skills, and capacity needed to provide the organization with strategic direction?	○	○	○
FINANCIALS			
Have the organization's financial records been audited?	○	○	○
Are the organization's revenue and funding sources diverse (e.g., from across foundations, corporations, government agencies, and individuals)?	○	○	○
Is the organization's revenue greater than its expenses?	○	○	○
MONITORING AND EVALUATION			
Does the organization share its outcomes and impact from past programs?	○	○	○

O

WORKSHEET

CONDUCT DUE DILIGENCE

INSTRUCTIONS

If you would like to dive deeper into your understanding of an organization, or if you are considering making a gift that is significant to your philanthropic budget or to the organization in question, you can use the remaining questions to learn more. Otherwise, skip ahead to the end of the worksheet.

ADVANCED DUE DILIGENCE

YES NO NOT SURE

Does the organization have offices in the regions where it works? If so, where? ◯ ◯ ◯

This will be indicated on the organization's website, often in the "Contact Us" section. Having staff on-site is critical for building relationships with communities, carrying out effective programs, and conducting monitoring and evaluation.

Does the organization have sufficient evidence or research supporting its chosen strategy? ◯ ◯ ◯

Ask how the organization created its strategy. This can include social science research evidence, evidence from its previous work, or feedback from beneficiary communities.

Is the organization's work aligned with the needs of its target population? ◯ ◯ ◯

Ask how the organization began to understand the needs of its beneficiaries. To ensure that an organization's work is rooted in the needs, goals, and way of life of its target population, it should seek input from beneficiaries in determining its programs and services. This can take multiple forms—having beneficiary community members on the staff or board, holding community feedback sessions, etc.

Are the organization's goals and approach coherent over time? ◯ ◯ ◯

Ask how an organization's approach may have changed over time. For older organizations, a change in strategy can demonstrate responsiveness to the needs of an ever-changing world or continuity (or lack) of values grounding the organization's work. This can often be gauged by reviewing annual reports from different periods of the organization's history.

O

WORKSHEET
CONDUCT DUE DILIGENCE

	YES	NO	NOT SURE
Are the organization's revenue and funding sources diverse (e.g., from across foundations, corporations, government agencies, and individuals)?	○	○	○

Look at an organization's Form 990 or on its website for a list of funding sources—often listed as partners. A diverse revenue stream is important for a nonprofit's stability and financial health. A concentrated revenue stream does not necessarily have to deter your donation—it could represent an urgent need and key opportunity for impact. Additionally, when looking through funding sources, consider that large foundations and other established institutions often use rigorous evaluation criteria when choosing their grantees. Having one as a funder signals a certain degree of achievement that can boost your confidence in an organization.

	YES	NO	NOT SURE
Does the organization incorporate what it learns into future programs?	○	○	○

Effective organizations expand on past successes, and do not repeat past failures.

	YES	NO	NOT SURE
Is the organization's revenue greater than its expenses?	○	○	○

In other words, does the organization show a positive balance of funds? This is crucial for an organization's financial sustainability. If its expenses exceed its revenue, see if the organization has a plan for fundraising or generating alternative revenue, and look into how long the organization has had a deficit.

	YES	NO	NOT SURE
Does the organization have a suitable plan for monitoring and evaluating its current programs?	○	○	○

Nonprofits should have metrics for tracking whether their initiatives are being implemented well, on time, and on budget. While a certain level of evaluation is important, also consider that rigorous third-party evaluations are prohibitively expensive for many nonprofits. Evaluations may also be done in-house.

	YES	NO	NOT SURE
Is the organization heading into or in the midst of any significant leadership transitions?	○	○	○

Leadership transitions, especially among executive directors, can often be a turning point for organizational mission and strategy. Prior to and during this period, it is important that an organization have a detailed plan for how the transition will be handled. You can also ask how the organization has handled any previous leadership transitions.

O

WORKSHEET

CONDUCT DUE DILIGENCE

	YES	NO	NOT SURE
Is the organization's current budget made available? If so, is the organization's budget appropriate for its goals and strategies?	○	○	○

Organizational budgets vary tremendously across scope and sector, but an organization's budget should align with the scale of its work. You can also consider specific program budgets to determine this. We do not recommend comparing program costs and overhead costs, as an organization's overhead budget is critical for maintaining and building its organizational capacity. Note that many organizations do not disclose their budget until the financial year is over; you can look at their financial statements for past budgets.

AS YOU LEARN MORE ABOUT THE ORGANIZATION, KEEP THE FOLLOWING QUESTION IN MIND:

What is the organization's greatest funding need?

Organizations best understand their own needs, and aligning your gift with those needs can often help you maximize the impact of your philanthropy. This could include any initiatives for which they are currently actively fundraising.

O

WORKSHEET

CONDUCT DUE DILIGENCE

When you are satisfied with your answers to the preceding questions, take some time to reflect on the strengths and weaknesses of this organization.

STRENGTHS	WEAKNESSES

Do you see this organization fitting into your philanthropic vision? Why or why not?

If you do not feel that this organization is aligned with your philanthropic goals, remove it from your shortlist of organizations and move forward with due diligence for another organization.

EPLI PHILANTHROPY PLANNER

FINDING & VETTING SUMMARY

Now that you have completed Section 5, turn to the Finding and Vetting Organizations Summary on the next page. List the organizations you would like to fund and their key strengths. Tear out the completed table to include in your Philanthropy Planner at the end of this toolkit.

5

EPLI PHILANTHROPY PLANNER

FINDING & VETTING ORGANIZATIONS SUMMARY

INSTRUCTIONS

Compare the strengths and weaknesses of the organizations you have kept on your shortlist after each due diligence investigation. Identify at least one from each issue/focus area that you feel is well-aligned with your philanthropic goals and that you would like to fund.

ISSUE / FOCUS AREA

Organization 1: ....

Why this organization? ....

....

Organization 2: ....

Why this organization? ....

....

ISSUE / FOCUS AREA

Organization 1: ....

Why this organization? ....

....

Organization 2: ....

Why this organization? ....

....

5

EPLI PHILANTHROPY PLANNER

FINDING & VETTING ORGANIZATIONS SUMMARY

ISSUE / FOCUS AREA

Organization 1: ....

Why this organization? ....

....

Organization 2: ....

Why this organization? ....

....

ISSUE / FOCUS AREA

Organization 1: ....

Why this organization? ....

....

Organization 2: ....

Why this organization? ....

....

SECTION 6

HOW DO YOU MAKE GIFTS & TRACK YOUR GIVING?

6. MAKING & TRACKING GIFTS

Now that you have identified and selected organizations aligned with your focus areas, you are ready to make gifts—and perhaps to contribute your time and talent as well.

This section guides you through the following steps:

1. **Make gifts to organizations you selected** to achieve your philanthropic goals.
2. **Track your philanthropy** to help you learn about and improve your giving.
3. **Consider expanding or refining your giving** to further support your selected issues and organizations.

6.1

MAKE GIFTS TO ORGANIZATIONS YOU SELECTED

Once you have selected organizations, the next step is to decide how you would like to allocate your philanthropic budget. Look back at **Activity L** to recall how much of your budget you allocated to each focus area.

You may also consider volunteering with the organizations you have selected, including serving on an organization's board, in order to gain firsthand experience within your focus area and further support the organizations' work. Your primary consideration should be whether your expertise and other talents can help the organization achieve its goals. (Don't join a board in order to direct or track how your gifts are used.) Refer back to **Section 1.3** and **Activity F** for more considerations regarding volunteering and board service.

Once you have decided which organizations to fund and for what lengths of time, this section will help you build a funding plan for your focus areas.

TYPES OF ORGANIZATIONAL FUNDING

When you make a financial gift to a nonprofit organization, you can designate it as either unrestricted or restricted funding. In keeping with best practices in philanthropy, we recommend that you mainly provide unrestricted general operating support. After all, the basic purpose of the due diligence process was to identify effective organizations whose leadership could be trusted to decide how best to allocate resources toward your shared stated goals.

Nonetheless, you may sometimes make a gift designated for a particular project that you and the organization's leadership agree is particularly important. If so, be sure that part of the gift covers indirect costs, or overhead—to cover the gift's share of the organization's administrative expenses including office space, phone bills, and back office staff. We recommend that at least 15%–20% of the gift be put toward these essential indirect costs.

<table>
<tr><th>TYPES OF ORGANIZATIONAL FUNDING</th><th>CONSIDERATIONS</th></tr>
<tr><td colspan="2">UNRESTRICTED FUNDING—Contributions that the organization’s management can direct to any of its programs and operations as needed.</td></tr>
<tr><td>UNRESTRICTED, GENERAL OPERATING SUPPORT
General operating support is the preferred mode for funding nonprofits.
Examples: making a contribution to a local animal shelter or to a national education nonprofit without placing any restrictions on the gift.</td><td>• Gives organizations the most autonomy to allocate funds to areas they deem necessary to achieve their charitable objectives.</td></tr>
<tr><td colspan="2">RESTRICTED FUNDING—Contributions given for a specific purpose, generally for the planning and implementation of particular programs or activities.</td></tr>
<tr><td>PROGRAM SUPPORT
Funds are directed toward specific programs or initiatives.
Examples: giving to a school’s music program, giving to a medical school’s breast cancer research lab.</td><td>• You are not particularly interested in the organization’s overall mission but are keen to support a particular initiative, or you are enthusiastic about filling a particular need, such as student financial aid.
• Make sure that the organization agrees that this is an important need.</td></tr>
</table>

DETERMINE THE FREQUENCY & TIME FRAME OF YOUR GIFT

When making a gift of significant size—either in terms of the organization's budget or your own resources—consider whether and under what circumstances you wish to make it a multi-year pledge. Longer-term pledges, which can be binding or not, help an organization engage in strategic planning for the future.

While the typical gift is expendable and can be used to meet the organization's current needs, some organizations seek gifts to endowment funds—for example, for scholarships or professorships at a college. Endowment funds are invested in perpetuity, and the organization uses the income to pay for current needs.

RECORD YOUR GIFT

It is important to develop a system for recording your gifts. This will allow you to step back and reflect on your overall philanthropic portfolio. Use whatever format is convenient for you, such as a notebook, spreadsheet, or database. For tax purposes, unless you are giving through a DAF (with which you've already received a tax deduction when you put funds into the account), make sure that the organization provides you with a written receipt listing the date and amount or description of the contribution.

6.2

TRACK YOUR PHILANTHROPY

The philanthropic process does not end once your gifts are made. The next few paragraphs will help you track and learn from your giving and increase your effectiveness.

ACTIVITY

P Reflect on Your Contributions of Time, Talent, & Ties

UNDERSTANDING IMPACT IN YOUR PHILANTHROPY

Donors sometimes wish to trace the use of their every dollar. This reflects a misunderstanding of impact in philanthropy, which is reflected in the overall impact of the organizations you support. Of course, organizations should track and publish their activities, outputs, and outcomes. But tracking each individual gift, even if it were possible, would divert the organization's resources away from its core mission toward making each donor feel uniquely valuable.

If your due diligence process (per **Section 5**) gave you confidence in an organization's effectiveness, every dollar you contribute will add that much more to its outcomes. On the (hopefully rare) occasions when you designate a gift for a particular project, you may be more interested in the results of that project than in the organization as a whole. But as long as you have included adequate overhead funding, you can be confident that your gift did not detract from the organization's overall effectiveness.

KEEP UP WITH ORGANIZATIONS YOU SUPPORT

Below are some ways to stay current on the organizations you support:

- Read the organizations' annual reports, which typically include their budgets, accomplishments, and plans.
- Follow the organizations you support on social media platforms (e.g., Facebook, LinkedIn).
- Read the "news" section on the websites of organizations you support and of similar organizations, or sign up for their e-newsletters.
- Attend events hosted by the organizations you support.
- If you made a major gift—for example, a gift that constitutes a noticeable portion of the organization's budget—consider meeting with the organization to get updates directly from its senior staff.

P

ACTIVITY

REFLECT ON YOUR CONTRIBUTIONS OF YOUR TIME, TALENT, & TIES

INSTRUCTIONS

Review the questions in Activity P to reflect on the time and effort you have contributed to organizations over your past giving cycle. Also consider your responses about your time and talent in Activity F. Jot down your thoughts.

REFLECT ON YOUR GENERAL VOLUNTEER WORK BY ANSWERING THESE QUESTIONS:

- Are you volunteering enough hours per month or year? Do you want to volunteer more?
- Do you feel you have been able to fulfill your volunteering commitments in a meaningful way?
  If you feel the answer is no, consider how you can scale back your commitment without derailing the organization's work.
- Do you want to continue volunteering for the same organizations?
  Do you want to add volunteer work with new organizations, or identify different organizations to work with instead?
- If you want to volunteer more, can you get more involved with organizations you already support? Do you need to find more organizations?

REFLECT ON YOUR BOARD SERVICE BY ANSWERING THESE QUESTIONS:

- How do you feel about your current board service? Are you providing value?
  Could you contribute your time, talent, and professional or social ties in a more meaningful way?
- If you want to join a new board, how can you find one that matches your interests and expertise?
- Do you need to leave any boards?
  If you feel that the answer is yes, make sure to provide the organization with adequate notice and work with them to support the transition.

P

ACTIVITY

REFLECT ON YOUR CONTRIBUTIONS OF YOUR TIME, TALENT, & TIES

KEEP UP WITH YOUR FOCUS AREAS

Beyond tracking your particular contributions, it is useful to stay current about your focus areas. Here are some ways to do this:

- Sign up for e-newsletters from foundations, funders, and thought leaders in your focus areas.
- Explore the websites of prominent foundations and funders who focus on your issues—read their issue-related pages and publications, note their recent grantees, and browse press releases about recent grants.
- Research annual awards that nominate exceptional organizations and individuals working on your focus areas, and learn more about their strategy and approach.
- Talk to knowledgeable peers who support your focus areas.
- Join a peer group or giving circle dedicated to your focus areas or geography (refer back to **Section 2: Engaging Others** for more information).

6.3

CONSIDER EXPANDING OR REFINING YOUR GIVING

As you continue tracking the organizations you support and develop more confidence in their strategy and impact, you may wish to increase your gifts to further support their work. In addition to increasing annual gifts, consider setting up recurring gifts for a period of years. Such gifts can improve an organization's stability and financial health. When reviewing your past donated funds, consider which contributions you would like to increase in the upcoming cycle.

Over time, you may decide that you wish to fund new issues or new organizations. This sometimes coincides with parting ways with a current recipient. In this case, we encourage you to help the organization prepare for your transition, especially if your gift constitutes a significant part of its budget, so that its operations do not suffer. At a minimum, most organizations will appreciate notification well in advance of your last gift. You may also consider setting up a transitional gift amount to phase out your support.

MAKING & TRACKING GIFTS SUMMARY

Now that you have completed Section 6, turn to the Making and Tracking Gifts Summary on the next page. List the organizations you would like to fund and their key strengths. Tear out the completed table to include in your Philanthropy Planner at the end of the toolkit.

6

EPLI PHILANTHROPY PLANNER

MAKING & TRACKING GIFTS SUMMARY

The following table reflects contributions from ______________________

to ______________________.

INSTRUCTIONS

Identify the period of time (e.g., a year or two) your giving plan will cover, and a date when you will revisit your funding decisions. Fill in the boxes for each of the organizations you have decided to fund to create a complete record of your giving. On the next page, write in any organizations you wish to volunteer with during this period. Tear out the completed table to include in your Philanthropy Planner at the end of this toolkit.

I plan to revisit my funding decisions on ______________________

TOTAL AMOUNT ALLOCATED ______________________

MAKING GIFTS OVERVIEW

ORGANIZATION NAME	ORGANIZATION STATUS Is it a 501(c)(3) or 501(c)(4)?	TYPE OF ORGANIZATION FUNDING Unrestricted / Restricted	DONATION AMOUNT	ONE-TIME OR RECURRING GIFT? Note frequency (e.g., monthly, annual) if applicable	GIVING VEHICLE Note which of your selected vehicles you will use for this gift.	GIFT DOCUMENTATION Will your gift need any supporting documents?	NEXT STEPS Write down any actions you need to make this gift and any deadlines that apply.

VOLUNTEERING OVERVIEW

ORGANIZATION NAME	INTENDED AMOUNT OF TIME TO VOLUNTEER Note how much time you can contribute.	ONE-TIME OR RECURRING? Note any frequency (e.g., monthly, annual) if applicable.	ORGANIZATION CONTACT Who will be your primary contact to arrange your volunteer hours?	NEXT STEPS Write down any actions you will need to take to make this commitment possible and any deadlines that apply.

CONCLUSION

CONCLUSION

Congratulations on completing The Philanthropy Toolkit! Engaging in this process of intense reflection, focus, and planning is no simple feat. We hope this approach to philanthropy enriches your giving and paves the way for a lifelong practice of intentional philanthropy—one in which you build upon the lessons you learn along the way, and continually explore how you and your loved ones can deepen your impact on the world. Keep in mind that change takes time—patience is an essential component of the philanthropy journey.

On the following pages you will find additional resources and tools to help you continue your philanthropic learning process in your next giving cycle.

Additionally, EPLI has posted much of this toolkit online and is developing interactive downloadable components for you to use. Visit our website and sign up for email updates to stay informed about new interactive features, modules, and activities.

We would also love to hear your feedback on this toolkit and suggestions for new topics, webinars or other content that would be helpful for you.
pacscenter.stanford.edu/toolkit

ACTIVITY

Q Reflecting Back & Looking Forward

Q

WORKSHEET

REFLECTING BACK & LOOKING FORWARD

INSTRUCTIONS

Reflect on the questions below to assess your philanthropy and decide how you would like to refine it in your next giving cycle.

- Are the issues you prioritized still aligned with your philanthropic goals and values?
- Are you satisfied with your overall philanthropic budget?
- Did your reactive, proactive, and emergency giving align with your original allocation across these three buckets? If not, why not?
- Are you satisfied with your family's involvement in this last cycle? What went well? What did not?
- What are some ways you can expand your philanthropic learning opportunities in the next cycle—whether in regard to a particular issue or the process more generally?
- Would you like to obtain professional support for any areas in your next round of philanthropy?
- Are you satisfied with the giving vehicles you used in this last cycle?
- Would the next round of your philanthropy be a good time to start, continue, or deepen your collaboration with other donors?

WORKSHEET

REFLECTING BACK & LOOKING FORWARD

ADDITIONAL RESOURCES

The Philanthropy Toolkit content is available online and EPLI continues to add new interactive features, modules, and research. Please visit our website at:
pacscenter.stanford.edu/toolkit

You may also wish to explore our online and in-person courses which are updated here:
pacscenter.stanford.edu/courses

SECTION 1: HOW DO YOU FIND YOUR FOCUS AREAS?

Giving Compass
Giving Compass is a nonprofit online portal aggregating and curating quality content related to philanthropy: impact giving articles, news, charitable organizations, and events. Donors can create a personalized experience based on their focus areas, expertise, and location; interact with others in private and secure groups; receive a weekly newsletter, and more.
givingcompass.org

Consider joining a board addressing the issues you care about

BoardSource
BoardSource is a 501(c)(3) organization that offers a range of tools, resources, and research data to increase board effectiveness and strengthen organizational impact within the nonprofit sector. BoardSource has developed a list of topics that address the fundamental aspects of nonprofit board service. BoardSource also offers trainings on board leadership for nonprofit organizations for an annual membership fee.
boardsource.org

The Bridgespan Group
Bridgespan is a global nonprofit organization that collaborates with organizations, philanthropists, and investors through consulting, leadership development, and research. It has a number of resources available on its website, particularly in the "Insights" section.
bridgespan.org

"Choosing a Nonprofit Board" video by Stanford Graduate School of Business
This video walks you through the process of deciding to serve on a board.
youtu.be/3Z6CyxdOsnw

SECTION 2: WHERE CAN YOU LEARN MORE, SEEK PROFESSIONAL ADVICE, & ENGAGE OTHER DONORS?

Learn more about effective philanthropy

Giving Done Right: Effective Philanthropy and Making Every Dollar Count
by Phil Buchanan (2019)
Published by Public Affairs Books, an Imprint of the Perseus Books Group
This book discusses the experiences and lessons learned from multiple major philanthropists, offering insights, examples, and tools to guide donors in their giving.

Inspired Philanthropy: Your Step-by-Step Guide to Creating a Giving Plan and Leaving a Legacy
by Tracy Gary, 3rd edition (2007)
Published by Jossey-Bass
This book helps donors create giving and legacy plans and explains how to partner with advisors and nonprofits in their philanthropy.

Learn with other donors

If you are interested in starting your own giving circle, consult United Philanthropy Forum's "Handbook for Giving Circle Hosts."
unitedphilforum.org/resources/handbook-giving-circle-hosts-tools-and-resources-developing-and-sustaining-giving-circles

Learn more about participatory grantmaking

If you are interested in the rationale and various models for participatory grantmaking, consider Candid's GrantCraft resources on the topic including articles, videos, and research reports.
grantcraft.org/content-series/participatory-grantmaking

Gibson, Cynthia. "Moving Beyond Feedback: The Promise of Participatory Grantmaking." *Nonprofit Quarterly*, August 29, 2019.
nonprofitquarterly.org/moving-beyond-feedback-the-promise-of-participatory-grantmaking

Gibson, Cynthia. "Deciding Together: Shifting Power and Resources Through Participatory Grantmaking." Accessed March 7, 2020.
issuelab.org/resource/deciding-together-shifting-power-and-resources-through-participatory-grantmaking

SECTION 3: HOW DO YOU INVOLVE YOUR FAMILY?

Involve your family in your philanthropy

Rockefeller Philanthropy Advisors "Talking to Your Family About Philanthropy" Guide
This guide briefly reviews why you might consider talking with family members about philanthropy and when it might be appropriate. It also looks at how to prepare for such a dialogue and what topics might be covered. Key questions provide an avenue for reflection and engagement.
rockpa.org/guide/talking-family-philanthropy

Involve the next generation

Many next-generation philanthropists prefer to engage with giving structures designed specifically for them. If your children or grandchildren are ready to dive deeper into your family's philanthropy, below are some organizations that can help. There are also regional and local organizations that work specifically with next-generation donors.

National Center for Family Philanthropy
The National Center for Family Philanthropy is a national nonprofit organization dedicated to families who give and those who support them. They provide resources and expertise to support family philanthropy, including advisory boards, events and webinars, a speakers bureau, and research.
ncfp.org

Resource Generation
Resource Generation is an online platform with local chapters in major metropolitan areas for young people with wealth, ages 18–35, seeking to make transformative change through an equitable distribution of resources.
resourcegeneration.org

Generation Impact: How Next Gen Donors Are Revolutionizing Giving
by Sharna Goldseker and Michael Moody (2017)
This book offers firsthand accounts and expert analysis of the innovative strategies next-gen donors are beginning to pursue. It also offers advice to families, advisors, and nonprofits on how to engage these rising donors.

Next Gen Fellows Program
Next Gen Fellows Program is a six-month training fellowship for dynamic leaders, roughly ages 18–35, who are involved in all types of foundations as current or soon-to-be trustees or staff. The program is designed to prepare the next generation for leadership roles and offers online learning seminars, conferences, and mentorship.
exponentphilanthropy.org/event/next-gen-fellows-program

SECTION 4: HOW DO YOU STRUCTURE YOUR GIVING?

Review and weigh considerations when choosing a giving vehicle

Tax implications

Capital gains tax: It is generally more tax-effective to donate appreciated investments or assets held for more than a year than it is to donate cash. This is because contributing appreciated assets to a public charity may eliminate capital gains tax on the sale of those assets and thereby increase your giving. Publicly traded stock, mutual funds and exchange-traded funds, restricted stock, privately held shares (C corporation, S corporation, and limited partnership interests), initial public offerings, real estate, and private equity and hedge fund interests can all be tax-advantaged gifts to charity.

Income tax: When donors make a charitable contribution they may take a charitable deduction on their tax return as long as they itemize their deductions. The size of the deduction is limited based on the assets donated. Discuss the current rates with your advisor.

Federal income tax bracket: The higher your tax bracket, the more valuable your deduction. Those with higher incomes are taxed progressively at a higher rate.

Estate tax: Charitable giving reduces assets from an estate for tax purposes. Although most people are not subject to Federal Estate Tax, there are other tax strategies to consider. When considering your bequests, donors may help their family reduce taxes by leaving some types of assets, like stock, to heirs and donating other types of assets, such as traditional IRAs, to charity.

Impact investing

Regardless of which giving vehicle(s) you select, you may decide to align your values not only with your philanthropic dollars but also with your for-profit investment dollars. Impact investments are made in companies, organizations, and funds in order to create social and environmental impact as well as financial returns. They can range from pooled investments made with a social screen (i.e., in companies promoting social good) to investments in nonprofit organizations or social enterprises. Impact investment allows funders to play a key role in helping for-profit organizations scale and to deepen their social impact by demonstrating the viability of a new market or business. It also provides an opportunity to bring the innovation and resources of the private sector into the social sector. Impact investments may generate returns that are market rate or sub-market rate.

Your choice of giving vehicle may influence the type of impact investing you can carry out. For instance, LLCs (see **Section 4.2: Select Your Giving Vehicles**) have no restriction on types of investments employed, while private foundations must comply with different restrictions. We recommend working with legal and investment professionals if you are considering incorporating impact investing into your philanthropic strategy.

Impact investing is an emerging field with developing methods and terminology. There are many resources to guide new investors, some of which are listed below:

Impact investing focus within Stanford Social Innovation Review
Published by Stanford PACS, *Stanford Social Innovation Review* is a quarterly magazine and website about social innovation. SSIR produces many topics on impact investing to keep you current with the sector.
ssir.org/topics/category/impact_investing

Impact Investing Resources from Change Catalyst and the Omidyar Network
This resource list consists of guides, case studies, books, reports, videos, glossaries, and articles to deepen your understanding of the impact investing sector.
changecatalyst.co/impact-investing-resources

SECTION 5: HOW DO YOU FIND AND VET ORGANIZATIONS?

Curated online lists of organizations

"Philanthropic Issue Funds: Impact Opportunities for Donors and Nonprofits" by the Raikes Foundation
This research paper outlines the landscape of philanthropic issue funds, the different types of offerings, the key players, and the operating models.
raikesfoundation.org/sites/default/files/issue-funds-research-paper.pdf

The Center for Disaster Philanthropy
The Center for Disaster Philanthropy (CDP) is an online resource to help donors make more thoughtful disaster-related giving decisions and direct their contributions to disaster relief and response—either through funds set up by CDP or through nonprofit organizations working locally. CDP conducts its own due diligence to assess nonprofit organizations involved in relief and response work.
disasterphilanthropy.org

Measurement and evaluation

The Council of Nonprofits
The Council of Nonprofits provides an overview of measurement and evaluation concepts as well as curated resources and tools for further learning.
councilofnonprofits.org/tools-resources/evaluation-and-measurement-of-outcomes

A Primer about Monitoring and Evaluation for Funders and Implementers
A report prepared by Giving Evidence and Keystone for funders new to nonprofit monitoring and evaluation, designed to explain the important differences between monitoring and evaluation.
measureresults.issuelab.org/resource/a-primer-about-monitoring-and-evaluation-for-funders-and-implementers

Candid IssueLab — Measurement and Evaluation Database
A large database of reports, primers, and articles to help nonprofit leaders assess impact and measure program effectiveness. The assessment approaches in this database were developed by a range of organizations, including social investors, foundations, NGOs, and microfinance institutions.
measureresults.issuelab.org

NOTES

NOTES

EPLI PHILANTHROPY PLANNER

The EPLI Philanthropy Planner gathers the key takeaways from each section of this toolkit into an actionable philanthropy plan that you can share more broadly. This serves as a template to summarize your philanthropic plan. You can use this planner to share your philanthropic vision with your family, friends, advisors, and collaborators, and as a personal guide to periodically revisit your giving.

Note: All of the interactive Worksheets and EPLI Philanthropy Planner pages can be accessed online and downloaded from our website at:

pacscenter.stanford.edu/toolkit.

INSTRUCTIONS

Collect your completed EPLI Philanthropy Planner summaries from each section of the toolkit and store them in the back pocket of the planner for easy reference.