

DAFgiving360™
Giving Guide



Welcome to the DAFgiving360 Giving Guide

The purpose of this Guide is to provide donors like you with a comprehensive resource to help maximize the impact of your philanthropic giving.

The DAFgiving360 Giving Guide is based on “The Stanford PACS Guide to Effective Philanthropy” and “The Philanthropy Toolkit: an Introduction to Giving Effectively”, both by Stanford Center on Philanthropy and Civil Society, both copyright 2020 Board of Trustees of The Leland Stanford Junior University, both used under Creative Commons Attribution 4.0 license.

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DAFgiving360 Giving Planner

The DAFgiving360 Giving Guide generates a Giving Planner based on the completion of eight decision-point activities. You can share this Giving Planner with others and update it over time.

Two approaches for getting the most out of the DAFgiving360 Giving Guide

1. Tailor your experience based on topics that interest you

It is not necessary to read the entire Guide or to complete all of the activities. You can select one or more sections that align with your most immediate needs. Here is a list of commonly asked questions about charitable giving with the relevant sections that may help you get started:

<ul style="list-style-type: none"> • What motivates me to give and what personal values do I want to reflect in my giving? • How do I decide which causes or issues to fund? • How do I create a focus statement to help guide my charitable giving plan? • How can I involve my family in my charitable giving plans? 	Section one Set your goals
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<ul style="list-style-type: none"> • What are restricted or unrestricted gifts? • How do I designate the purpose of my gift? • How do I determine the frequency or timeframe for my gift? • How do I document the terms of my gift? • How can I track the impact of my giving? 	Section four Implement your giving plan
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2. Focus on the Giving Planner

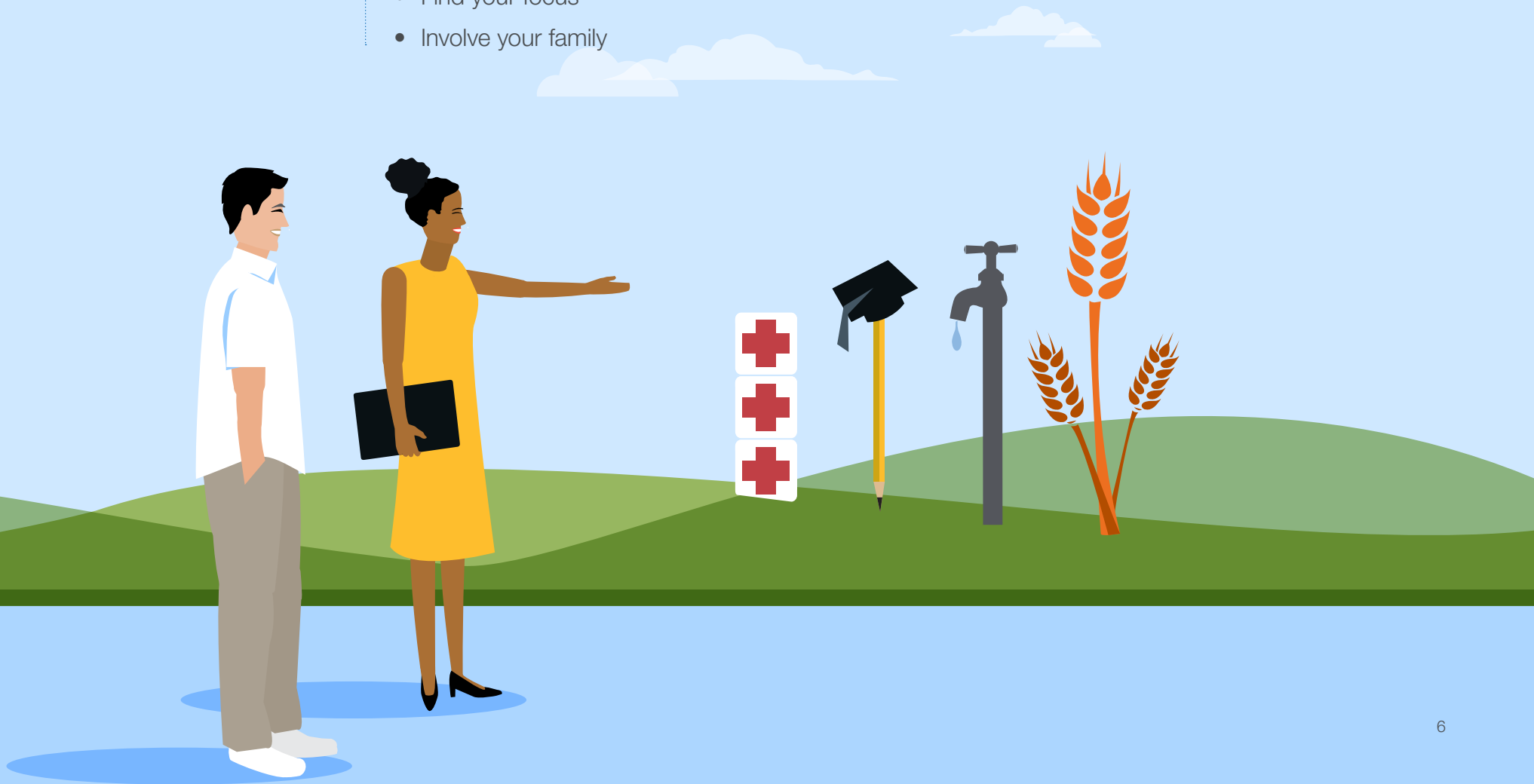
The DAFgiving360 Giving Guide generates a giving plan based on the completion of eight decision-point activities contained in the Guide. Here is a list of activities that will generate a complete giving plan:

Topic	Guide page location
1. Select your top five values	9
2. Select your top five causes (including population and geography if desired)	16/17 or 18/19
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1 Identify your goals

This section can help you:

- Find your focus
- Involve your family





Find your focus

Use this chapter to help answer these questions:

- What motivates me to give? What personal values do I want to reflect in my giving?
- How do I decide which causes or issues to fund?
- How do I create a focus statement to help guide my charitable giving?

Define your motivations and values

Defining the motivations and values that drive your charitable giving can help anchor your decision making in the face of competing needs at each step of the philanthropic process. This type of values-based giving can make giving more meaningful and personal, and inspire you to sustain your charitable efforts.



Complete the following two activities:

Activity 1

Reflect on your charitable giving motivations

Activity 2

Identify which values guide your giving



Activity 1: What motivates you to give?

What motivates you to give at this time?

What life experiences have shaped your desire to give your time or money?

What do you want to change in the world?

What do you want to sustain or keep the same in the world?



Activity 2: Which values guide your charitable giving?

Use the following list to reflect on which values are important to you. You may also write in additional values. For couples and families, you can choose to do this activity together. Or, it can also be helpful to do this activity individually, and then share your responses and discuss areas of overlap and differences.

- | | | | | | |
|----------------|---------------|--------------|-----------------|--------------------|-----------------|
| Accessibility | Diversity | Fun | Innovation | Patriotism | Spirituality |
| Accountability | Effectiveness | Generosity | Integrity | Peace | Spontaneity |
| Authenticity | Empathy | Growth | Interdependence | Persistence | Stewardship |
| Collaboration | Empowerment | Happiness | Joy | Resourcefulness | Tradition |
| Community | Equity | Harmony | Justice | Respect | Trustworthiness |
| Courage | Exploration | Health | Kindness | Security | Unity |
| Creativity | Fairness | Honor | Leadership | Self-actualization | Well-being |
| Curiosity | Faith | Humility | Love | Service | |
| Dignity | Family | Humor | Loyalty | Simplicity | |
| Discipline | Freedom | Independence | Passion | | |

Write up to five values that resonate the most with you.
Your answers from this exercise populate your [Giving Planner summary](#).

Value #1

Value #2

Value #3

Value #4

Value #5

Your top five values:

Reflect on how your values might influence your charitable planning and giving decisions.

Value #1

Value #2

Value #3

Value #4

Value #5



Narrow your focus

Focusing on a smaller number of charitable causes can help reduce choice overload as you make philanthropic decisions. By supporting a short list of causes closely aligned with your values, you can concentrate your financial support on the causes that mean the most to you.



Choose one of the following activities to help you narrow your focus.

Activity

Look back at your giving and volunteering history

Review your past giving and volunteering to identify trends and themes. From there, you can understand which issues you are most passionate about, assess how you have supported them, and decide whether you would like to make adjustments. This activity is best suited for donors who have established a history of giving.

OR

Activity

Begin with a clean slate and select causes without relying on precedent

Explore a range of potential causes and select those that align with your values and motivations. This activity is best suited for donors who may be newer to giving, or for experienced donors who want to explore their giving beginning with a clean slate.



Activity: Look back at your giving and volunteering history

By reviewing your past giving and volunteering, you can identify patterns and trends in your philanthropy. You can determine whether certain causes received greater proportions of your funding or time, and whether those causes align with your values, interests, and philanthropic aspirations. Insights you glean can help you decide how to focus your giving in the future.

In the first table, write the names of the organizations to which you made a contribution, the approximate amount, and the frequency of the donation. You may also include people or events you have supported.

Charitable giving history:

The following table reflects my charitable giving from _____ to _____.

	Organization / Event / Person	Amount / Frequency (including one-time only)	Notes
Example	Larkin Street Youth Services	\$1,000 / 3 times within the last 2 years	Suzie told me about this organization supporting homeless people. I have been impressed with their programs.
1			
2			
3			

continued on next page

Charitable giving history—continued

	Organization / Event / Person	Amount / Frequency (including one-time only)	Notes
4			
5			
6			
7			
8			
9			
10			

Volunteering history:

In the second table, enter the organizations with which you volunteered your time, the amount of time, and the frequency of your involvement.

The following table reflects my volunteering history from _____ to _____.

	Organization / Event / Person	Time	Notes
Example	American Society for the Prevention of Cruelty to Animals (ASPCA)	3 hours / week	
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Answer these questions based on your giving and volunteering history:

List organizations

Which organizations did you give to most frequently?

Which organizations received most of your funding?

To which organizations did you give the most time?

Which organizations do you want to continue to support with your charitable giving?

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Giving and volunteering history—continued

Now that you have identified where you have been giving your money and time, consider if these are the causes you wish to support as you move forward with your philanthropy. Choose up to five causes that resonate the most with you at this time.

[View cause subcategories](#)

Cause #1

Cause #2

Cause #3

Cause #4

Cause #5

continued on next page

For each of the causes you selected, you may wish to consider focusing on particular populations or geographies. For instance, if you aim to increase access to higher education, you may wish to choose a subset of a population, such as students from low socioeconomic backgrounds in a particular location. If you are unsure about the population or geography, you can add those details later.



Your answers from this exercise populate your [Giving Planner summary](#).

As priorities can change over time, you may find it beneficial to reevaluate the causes you support every few years.

Giving and volunteering history—continued

	Cause	Population	Geography
Example	Homelessness	Young adults ages 15-20	South side of Chicago
1			
2			
3			
4			
5			



Activity: Begin with a clean slate

The “clean slate” approach enables you to identify broader causes or issues that concern you, regardless of your giving and/or volunteering history.

Select the five causes you want to prioritize in your giving. You may wish to read the subcategories for each broad cause to give you an idea of what might fall within it.

Select up to five causes that resonate with you:

[View cause subcategories](#)

Cause #1

Cause #4

Cause #2

Cause #5

Cause #3

continued on next page

Clean slate activity—continued

For each of the causes you selected, you may wish to consider focusing on particular populations or geographies. For instance, if you aim to increase access to higher education, you may wish to choose a subset of a population, such as students from low socioeconomic backgrounds in a particular location. If you are unsure about the population or geography, you can add those details later.



Your answers from this exercise populate your [Giving Planner summary](#).

	Cause	Population	Geography
Example	Homelessness	Young adults ages 15-20	South side of Chicago
1			
2			
3			
4			
5			

As priorities can change over time, you may find it beneficial to reevaluate the causes you support every few years.



Activity: Crafting focus statements

A focus statement connects your values, motivations, and cause areas in a statement of philanthropic intent. A strong focus statement will help guide your charitable giving, especially in the face of competing demands. We recommend creating a separate focus statement for each cause you want to support.

Focus statement example:

I want to address education inequality for low-income secondary school students in the Grand Rapids public schools because this aligns with my commitment to equity in public education.

Components of a focus statement:

I want to address [What] for [Who] [Where] because this aligns with my commitment to [Which values].

What:	What cause/issue do you want to address with your philanthropy (e.g., environment, education, etc.)?
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 focus (e.g., respect, diversity, empathy)?

continued on next page



Your answers from this exercise populate your [Giving Planner summary](#).

Create your focus statements

Focus statement 1

I want to address _____
for _____
because this aligns with my commitment to _____

Focus statement 2

I want to address _____
for _____
because this aligns with my commitment to _____

Focus statement 3

I want to address _____
for _____
because this aligns with my commitment to _____

Focus statement 4

I want to address _____
for _____
because this aligns with my commitment to _____

Focus statement 5

I want to address _____
for _____
because this aligns with my commitment to _____



Involve your family

Use this chapter to help answer these questions:

- How can I involve my family in my philanthropy?
- How can I encourage and support the next generation's philanthropy?

How can I involve my family in my philanthropy?

Charitable giving presents an opportunity to involve your family in one of life's most fulfilling activities: giving back. You can engage family members in philanthropy in many ways, including asking them to advise or assist you in developing philanthropic goals, creating and implementing a giving strategy, launching family members on their own giving trajectory, and more.

Involving “family”

Who is included in your family is entirely up to you. Involving your family can take multiple forms, from involving them in decision making to preparing for eventual succession.

Before engaging family members, it can be helpful to outline the forms of involvement you wish to consider and to be clear about your expectations for various family members' roles.

continued on next page

Understand the different roles family members can play

Below, you will find descriptions of different roles that family members can play in your philanthropy. You do not need to fill every role, and one person can play multiple roles. As you read through this list, think about which roles meet your current needs and the family members who might be best suited to fill those roles.

Co–decision maker	This person can be your partner in philanthropy, collaborating to determine goals, approaches, which organizations to give to, and how much to give them. If your philanthropic vehicle includes a board, such as with a foundation, consider whom you want to invite onto the board to help guide your philanthropy’s governance and decision making.
Advisor	This person can act as a sounding board, advising you on your philanthropic goals and approaches to achieving them, but may not have a decision-making role.
Implementer	This person can help you research how and where to give and help make and monitor gifts.
Successor	This person will ensure that your charitable intentions continue to play a role after your death.
Other	You may have additional ideas for roles that family members can play in your charitable giving.



Activity 1: Reflect on involving your family in your charitable giving

Review the following questions and jot down your thoughts. You don't have to answer all the questions, but we recommend that you consider each one before reaching out to family members.

Motivations

What motivates you to involve your family in your charitable giving?

What obstacles could arise from involving your family in your charitable giving plans?

Family values

Is your giving a continuation of your family's legacy or something you are starting?

What values do you want to ensure get translated through your shared giving?

Decision making

Are you looking to engage your family in an ongoing way with all decision making, or do you want your family members to help carry out your vision and decisions?

Are there giving decisions for which you want full discretion?

Are there giving decisions for which you want others to have full discretion?

Are there giving decisions that you would like to make collaboratively? If yes, how would you like these decisions to be made (e.g., by majority vote)?

Family members

Which family members do you want to engage in your charitable giving? (List them here, and you can determine specific roles in the next activity.)

Will some family members be upset if you do not include them? How might you communicate your decision to them?



Activity 2: Create a plan for engaging family members



Create a plan for reaching out to family members around your charitable giving plan. Your answers from this exercise populate your [Giving Planner summary](#).

Who	Potential role and expected commitment	Conversation planning notes for your discussion	Notes from the conversation
Example: Philip	Co–decision maker. Meet three times a year to decide on gifts.	Discuss prioritized causes and see if we are aligned. Check whether frequency of making gifts feels right.	We align on three causes, but differ on two. We decided to give jointly from our donor-advised fund to our shared causes, and we will give to our individual causes through our personal checkbooks.



Activity 3: How can I encourage and support the next generation's charitable giving?

Involve the next generation

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.



Below are three suggested activities to introduce the next generation to philanthropy:

Activity A

Start a charitable giving conversation

Activity B

Explore your shared giving causes as a family

Activity C

Establish a giving allowance for the next generation

Activity 3A: Start a conversation about giving

We encourage you to have a conversation with younger family members about your reasons for giving. When you share your motivations to give, it inspires the next generation to act philanthropically.

Do you want to have a charitable giving conversation with the next generation in your family? Yes No

If yes, with whom and when?

Name

When

_____	_____
_____	_____
_____	_____
_____	_____

Which topics do you want to cover during the conversation?

- The role giving has played in your life.
- The gifts, either given or received, that have been most meaningful to you, especially as a child or young adult, and why.
- Share your giving history with a particular organization. Ask if they know why you have chosen to support this organization.
- If your family has been giving for generations, share a story of giving made by the older generations in your family.
- 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.
- Ask them which organizations they might wish to support, or what causes they are passionate about addressing.
- _____
- _____

Activity 3B: Explore charitable giving causes as a family

This activity can help guide a family discussion around charitable giving causes.

Host a family dinner or meeting with the next generation to discuss charitable giving. One way to begin the discussion might be to engage with an exploration of the causes that are most important to each.

- 1 Print out a set of cause cards for each family member.
(A [printable set of cause cards can be found in the appendix.](#))
Make sure to include the blank cards as well.
 - Ask each family member to select three to five causes that resonate the most with them.
- 2 Ask each person to share why they selected those causes.
- 3 Discuss what each person might want to do to support those causes from a charitable perspective over the coming three months, six months, and one year.
- 4 To close the conversation, have each family member write down their top cause.

Learning by doing provides motivation and experience for the next generation to engage philanthropically. One option is to set up a “giving allowance”—an amount that you feel would be age-appropriate. You can set an allowance per individual or, if there are multiple family members, ask them to decide as a group. This activity helps them experience articulating their intention, making decisions, and implementing their gift.

Determine the allowance frequency (e.g., monthly, biannually, annually, etc.). Some families choose a time during the holiday season, on days of recognition (e.g., Earth Day, Veterans Day), or on birthdays.

If family members are struggling to figure out what to support with their allowance, consider engaging them in the cause activity and/or the values activity.

Activity 3C: Give the next generation a giving allowance

Do you want to provide a charitable giving allowance to the next generation? Yes No

If yes, to whom, how much, how often?



Your answers from this exercise populate your [Giving Planner summary](#).

Name	Allowance	Frequency
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

Do you want them to make their decisions individually or collectively?

How do you want them to share their charitable giving decisions with you? (e.g., send an email, meet annually, no need to share, etc.)

2 Establish your giving structure

This section can help you:

- Understand which entities are eligible for tax-deductible donations
- Determine which assets to give
- Select charitable giving vehicles





Entities that are eligible for tax-deductible donations and those that are not

Please consult with a trusted tax advisor if you have any questions about the deductibility of a gift.

Use this chapter to help answer these questions:

- What are the different types of nonprofit organizations and which ones are eligible for tax deductions?
- How can I make charitable gifts to international causes?
- Are political gifts tax-deductible?

Entities that are eligible for tax-deductible donations

The Internal Revenue Service (IRS) Section 501(c) designates which organizations qualify as charities, potentially allowing donors to claim tax deductions for contributions of cash, goods, and other assets. In this chapter, we will review the most common nonprofits that fall under this section of the Internal Revenue Code: 501(c)(3) and 501(c)(4) organizations.

501(c)(3) tax-exempt organizations

Nonprofits that qualify for IRS 501(c)(3) status are exempt from federal taxes. These include organizations established for religious, charitable, educational, or other specified purposes that meet certain requirements. These organizations cannot be organized for the benefit of private interests and are restricted in the political and legislative (lobbying) activities in which they can engage. Charitable gifts to a 501(c)(3) organization are typically tax deductible.

continued on next page

501(c)(3) tax-exempt organizations include the following:

- 501(c)(3) registered public charities
- 501(c)(3) non-registered public charities
- Private foundations

501(c)(3) registered public charities

Organizations that receive tax-exempt 501(c)(3) status from the IRS are then registered (listed) in the Tax Exempt Organization Search database (also referred to as Pub. 78 data). 501(c)(3) charities must file with the IRS annually and demonstrate their work for the public good. Grants to 501(c)(3) public charities are typically tax-deductible, as long as you do not receive benefit in return, such as a meal, gift, or activity. If an organization loses its tax-exempt status, you may not be able to claim a tax deduction for your gift.

501(c)(3) non-registered public charities

Certain organizations, such as public charities with annual gross receipts less than \$5,000 and churches and other religious entities, may be treated as tax-exempt entities without being required to file an application with the IRS. These organizations are not listed in the Tax Exempt Organization Search database.

If you have questions about a public charity's nonprofit status, the organization can provide you with proof of their status and clarify whether donations to the organization are tax-deductible.

Private foundations

Private foundations are tax-exempt under Section 501(c)(3) but differ from public charities in that they typically have a single source of funding (usually gifts from one family or corporation rather than funding from many sources). Private foundations are either **private nonoperating** or **private operating foundations**. Private nonoperating foundations typically use their assets to grant to other 501(c)(3) organizations and are required to pay out 5 percent or more of their assets each year in grants. Private operating foundations are required to spend a certain portion of their assets each year on charitable activities.

Grants to private foundations are typically tax-deductible but follow different rules than grants to 501(c)(3) public charities. It is important to note that certain types of accounts, such as a donor-advised fund, may not recommend grants to private nonoperating foundations.

International organizations

There are three ways to give a tax-deductible gift to causes outside of the United States.

1. You can make a gift to international causes through established U.S.-based 501(c)(3) registered charities that perform work overseas, such as Doctors without Borders (Médecins Sans Frontières).
2. You can make a gift to an international organization with a U.S. chapter that is registered as 501(c)(3), such as UNICEF.
3. You can make a gift to a registered 501(c)(3) charity that has established itself as an intermediary to facilitate direct grants to international charities such as CAF America, GlobalGiving Foundation, Give2Asia and King Baudouin Foundation. Intermediary organizations tend to be local to their area of expertise, and can perform a review of selected charitable organizations and projects.

You can make gifts directly to an international organization that does not meet the requirements of those listed above, and receive a tax deduction if the organization satisfies IRS guidelines for tax deductibility determined by Equivalency Determination (ED) or Expenditure Reporting (ER). To qualify for tax deductibility, an organization must provide detailed information about its operations and finances so that a qualified tax practitioner (defined as a U.S. attorney, CPA, or enrolled agent) can make a determination as to whether it meets the same requirements as a domestic 501(c)(3) public charity under U.S. tax law, and demonstrates the capacity to carry out the intended purposes of its donors. Work with your tax advisor in advance of making the donation to help ensure you will receive the deduction.

Crowdfunding platforms

Crowdfunding platforms, such as donorschoose.org or kickstarter.com, raise funds online by aggregating small contributions from a large number of people. Nonprofit organizations and for-profit entities, specifically entrepreneurial ventures, are increasingly using crowdfunding platforms to raise funds. If you would like your gift to qualify for a tax deduction, confirm that the organization you are giving to through a crowdfunding platform is a registered 501(c)(3) public charity, or the platform itself is a registered charity.

Entities that are not eligible for tax-deductible donations

Gifts or investments in the following entities are not eligible for tax deductions.

501(c)(4) organizations – political and lobbying organizations

The IRS defines 501(c)(4) organizations as not-for-profit social welfare organizations primarily engaged in promoting the common good and general welfare of the people of the community in which they work. 501(c)(4) organizations often promote this general welfare through engagement in political activities germane to the organization's programs. Homeowners associations and volunteer fire companies are examples of social welfare organizations. These organizations' may attempt to influence legislation through direct communication with members or employees of a legislative body, or indirectly by attempting to influence the public to take action on proposed legislation. Contributions to 501(c)(4) organizations are not eligible for a tax deduction. Political action committees (PACs) do not qualify as 501(c)(4) organizations.

Individuals

Charitable contributions made directly to individuals are not tax deductible. If you are looking to provide funding to programs that support individuals, you will want to give through a 501(c)(3) tax-exempt organization or establish a private foundation with IRS approval for an individual grantmaking program.

For-profit organizations

Individuals can invest in for-profit companies, which strive to create positive financial and social returns. As an example, socially conscious investors are increasingly using environmental, social, and governance (ESG) criteria to screen potential investments. Many mutual funds, brokerage firms, and robo-advisors now offer financial products that employ ESG criteria.



Determine which assets to give

Use this chapter to help answer these questions:

- What assets can I give?
- Why should I consider giving non-cash assets?

What assets can I give?

Although cash and checks are among the most convenient and popular ways to give, you may also consider donating appreciated non-cash assets. The decision to donate appreciated non-cash assets may be based on your investment and financial planning objectives as well as the associated tax benefits of donating the asset.

Appreciated non-cash assets—such as publicly traded securities, real estate, and private business interests—held more than one year provide a unique opportunity to leverage some of your most valuable investments to maximize impact with your charitable giving.

First, you potentially eliminate the capital gains tax you would incur if you sold the asset yourself and then donated the sale proceeds, which may increase the amount available for charity by up to 20%.

Second, assuming you itemize deductions instead of taking the standard deduction, you may claim a fair market value charitable deduction for the tax year in which the gift is made and may choose to pass on that savings in the form of more giving.

The following is a list of more common appreciated assets, both publicly traded and illiquid non-cash assets.

Publicly traded non-cash assets

- Publicly traded securities
- Restricted stock
- Equity compensation awards
- IPO stock

Illiquid non-cash assets

- Real estate
- Privately held business interests
- Private equity and hedge fund interests
- Cryptocurrency
- Fine art and collectibles

Publicly traded non-cash assets

Publicly traded securities

Shares of appreciated publicly traded securities, such as stocks and mutual funds, are widely owned and relatively easy to donate. To potentially receive the tax benefits highlighted above, shares should be held for more than one year and you must transfer the shares directly to a donor-advised fund or other public charity.

[Learn more](#)

Restricted stock

You may own public stock that is subject to certain sale restrictions, perhaps because you are a company executive or own “Legend” shares. Restricted stock can be a great asset to gift to charity, but there are unique considerations that must be taken into account prior to gifting.

[Learn more](#)

Equity compensation awards

Certain equity compensation awards often have a low cost basis and higher current market value that may result in a large capital gains tax liability when sold. If you itemize deductions, donating these appreciated shares, when held more than one year, may provide a large tax benefit in the form of a current-year, fair market value income tax deduction and potential elimination of capital gains taxes.

[Learn more](#)

IPO stock

An initial public offering (IPO) can accelerate appreciation of private company stock held by founders, executives, and early employees. An IPO wealth event may result in substantial capital gains taxes when the IPO stock is sold. If you are a charitably minded investor, donating a portion of your IPO stock—either during or after the lock-up period—to a donor-advised fund or other public charity may provide you with a current year, fair market value income tax deduction and potentially eliminate capital gains taxes. IPO stock can be a great asset to gift to charity, but there are unique considerations that must be taken into account prior to gifting.

[Learn more](#)

Illiquid non-cash assets

Real estate

If you contribute highly appreciated real estate to a donor-advised fund or other public charity, you may potentially eliminate capital gains tax on the appreciation and be entitled to a fair-market-value tax deduction for the donation. A qualified appraisal is generally required to substantiate a claimed charitable income tax deduction. There are certain criteria that must be met for real estate to make sense as a charitable donation.

[Learn more](#)

Privately held business interests (C-Corp, S-Corp, LP, LLC)

If you are considering a sale of an interest in a privately held company, you may find that donating a portion of your long-term held interest to a donor-advised fund or other public charity before the sale can help reduce your tax burden and enable you to give more generously. There are a number of considerations that should be taken into account prior to donating this type of asset.

[Learn more](#)

Please be aware that gifts of appreciated non-cash assets can involve complicated tax analysis and may require advanced planning. This section is intended only to be a general overview of some donation considerations and is not intended to provide tax or legal guidance. In addition, all gifts to donor-advised funds are irrevocable. Please consult with your tax or legal advisor.

Private equity and hedge fund investments

By donating highly appreciated alternative investments to a donor-advised fund or other public charity, you may claim a fair-market-value tax deduction—as determined by a qualified appraisal—for the donation while potentially eliminating capital gains tax on the distributions and appreciation.

[Learn more](#)

Cryptocurrency

Donor-advised funds, which are 501(c)(3) public charities, can be a tax-efficient solution for contributions of cryptocurrency, as the funds typically have the resources and expertise for evaluating, receiving, processing, and liquidating non-cash assets.

There are a number of considerations including avoidance of prearranged sales and unique tax features that may apply.

[Learn more](#)

Fine art and collectibles

For philanthropically minded collectors, donating fine art and other collectibles—such as coins, precious metals, and antiques—to charity may provide a tax-smart approach to giving. In particular, donations of art that you have owned for more than one year may enable you to potentially eliminate capital gains taxes, claim an immediate income tax deduction (for those who itemize), and potentially minimize estate tax liability.

[Learn more](#)



Select your charitable giving vehicles

Use this chapter to help answer these questions:

- What are the different vehicles I can use for my charitable giving?
- How can I compare the different charitable giving vehicles?
- Which vehicles best support my giving goals?

Overview of common giving vehicles

There are a number of giving vehicles that can support your giving. This chapter will help you select the vehicle or combination of vehicles that best align with your goals. There are additional ways to give as well which include cash and estate planning options.

While tax considerations are an important factor in your choice of vehicle, consider other factors such as the complexity of your giving and possible administrative burden. At the end of this chapter, we have set out the characteristics of four commonly used ways to give: donor-advised funds, private foundations, limited liability companies and cash.

Please consult your tax advisor or lawyer about these options, as well as other ways of giving through estate planning.

Giving vehicles

- Donor-advised funds
- Private foundations
- Limited liability companies (LLCs)
- Charitable remainder trusts
- Charitable lead trusts
- Charitable gift annuity

Other ways to give

- Cash and appreciated non-cash assets
- Bequests and estate gifts

Charitable giving vehicles

Donor-advised funds

A donor-advised fund is a 501(c)(3) public charity offering a specialized account set up for the sole purpose of charitable giving. Each donor-advised fund has different minimum contributions, guidelines for grants to charities, investment programs, and fees. Donor-advised funds 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 community is also typically allowed. Donor-advised funds sponsored by for-profit financial service providers and other independent sponsoring organizations offer the opportunity for a broader focus, as well as financial and investment expertise.

Contributions to a donor-advised fund are irrevocable. Once this contribution is made, donors can recommend grants to other public charities recognized by the IRS. The sponsoring organization is not legally required to follow donors' recommendations, but in practice, they almost always do. Donors contribute to their accounts as frequently as they like and can then recommend grants to their favorite charities whenever it makes sense for them.

You can contribute cash, securities, or appreciated non-cash assets to your account and receive a same-year tax deduction (equal to the deduction for giving to any public charity), if you itemize deductions on your tax return.

Contributions to a donor-advised fund account can typically be invested for potential growth, tax-free, with the objective of having even more to grant to charities over time.

Commonly asked questions:

Can I withdraw funds from a donor-advised fund as income or for expenses related to my philanthropy?

No. Your donor-advised fund contributions and any income earned from them are irrevocably committed to charitable purposes. If you have any doubts about how much to allocate to your donor-advised fund and how much to reserve for other expenses, keep in mind that you can add to your donor-advised fund anytime you wish.

Do donor-advised funds require a minimum contribution and minimum size of gift?

Minimum contribution amounts differ by donor-advised fund provider. With most donor-advised funds, you can recommend grants in any amount of \$50 or more.

How much do donor-advised funds charge?

Most donor-advised funds charge an administrative fee based on the balance in your account; usually the fee is a higher percentage of assets when the account is small and declines as the donor-advised fund balance increases. Investment fees vary by provider and depend on how an account is invested. For stocks and bonds, the fees are typically in the form of commissions when they are traded. For mutual funds and ETFs, the fees are in the form of operating expenses charged by the mutual fund provider. A donor-advised fund may offer the opportunity for donors to have their accounts professionally managed by a qualified investment advisor who may then charge a management fee.

Can I engage my children or grandchildren in my donor-advised fund?

A donor-advised fund can provide a platform for engaging the next generation in conversations around charitable giving. When children have reached the age of majority, they can be appointed as additional account holders and as successors to continue your charitable legacy.

Can a donor-advised fund sponsor provide grantmaking guidance?

The depth of grantmaking guidance varies among fund sponsoring organizations.

Can I make anonymous gifts through a donor-advised fund?

The level of attribution is left to the discretion of the donor. If you wish, a gift from a donor-advised fund can be presented to the grantee with only the name of the donor-advised fund sponsor.

Is there a minimum annual payout from a donor-advised fund?

Most donor-advised funds require that donors remain actively involved in recommending grants to eligible charities and have policies in place to encourage active engagement. Check with your donor-advised fund sponsor for specific details. The average payout from donor-advised funds is about 20 percent—well above the 5 percent payout required of private foundations.

Can donor-advised funds be moved to another donor-advised fund?

Generally, yes, as donor-advised funds qualify as 501(c)(3) organizations, you can transfer funds to another donor-advised fund sponsor through a grant.

Private foundations

Private non-operating foundations, a subset of private foundations are tax-exempt nonprofit organizations that must pay out at least 5 percent of their endowment each year in the form of grants to charity and operating charitable activities. The required distribution includes reasonable administrative expenses, such as staff salaries, as well as the grants. 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 may claim 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. In a private foundation, staff can be paid for management and administrative work. Foundations can be set up to exist across multiple generations or set up such that all the foundation's assets are spent within a lifetime or over some set period of time.

The tax benefits of contributing to a private foundation depend on the asset. Generally speaking, donors who itemize their deductions can deduct up to 30 percent of adjusted gross income for cash contributions and up to 20 percent for appreciated securities, both with a 5-year carry forward. Generally, for publicly traded assets, the valuation of the deduction will be at fair market value. For appreciated assets that are privately held, the valuation may be limited to cost basis.

Assets can be invested, and while any growth is exempt from income tax, net investment income gains are subject to the 1.39 percent foundation excise tax.

Private operating foundations, a subset of private foundations, primarily conduct their own charitable programs; some also make grants. Most of the operating foundations' spending must be on charitable activities in each year.

Commonly asked questions

How do I decide whether to start a private foundation? Is there a minimum amount needed?

There is no minimum amount to start a private foundation. But when deciding if starting a private foundation makes sense for you, consider whether its advantages in achieving your philanthropic objectives justify the required administrative costs. For example, there can be costs to set up a foundation as well as to file the required annual 990-PF form. Alternatively, you may find that you need a private foundation to pay staff to manage your philanthropic programs.

Do assets in a private foundation grow tax-free?

Not completely. Private foundations must pay an excise tax of 1.39 percent on net investment income.

Can I make anonymous gifts to or through a private foundation?

No. Private foundations must disclose all gifts they receive of \$5,000 or more in a given year. Private foundations also must disclose all grants that they paid or approved. This information generally will be available on the Internet through websites such as Candid.

Can a private foundation pay out more than the required 5 percent of our endowment annually?

Yes, you have complete discretion to pay out more than the required 5 percent. There are no upper limits on foundation spending. If you wanted, you could—in theory—spend down your entire endowment within one year. However this winds down the foundation with no assets to cover any tax liability or costs of wind down.

Limited liability companies

Limited liability companies, or LLCs, are business structures that can also function as philanthropic vehicles. As with business LLCs, income and charitable tax attributes flow through to the LLC's members. 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 members are eligible for a tax deduction. LLCs do not have annual distribution or public disclosure requirements.

Commonly asked questions

How are limited liability companies (LLCs) used in philanthropy?

According to the Internal Revenue Service, an LLC may legally make monetary donations to any recognized charitable organization, religious organization, nonprofit school, nonprofit hospital and public recreation area. An LLC may also make donations to the state, local or federal government to reduce the public debt.

If an LLC is simply a pass-through, why bother setting one up rather than writing checks?

Suppose that you have hundreds of millions of dollars dedicated to some combination of gifts, political contributions, and impact investments. Imagine paying staff members, consultants, and miscellaneous bills from your personal checking account, withholding income taxes where appropriate and the like. The LLC is fundamentally a bookkeeping structure to make all of this easier, with the added benefit of limited liability to LLC members.

Charitable remainder trusts

A Charitable Remainder Trust (CRT) is a gift of cash or other property where the remainder assets of the trust go to an eligible charity. Generally, the donor receives an income stream from the trust for a term of years or for life and the named charity receives the remaining trust assets at the end of the trust term.

The donor receives an immediate income tax charitable deduction when the CRT is funded based on the present value of the assets that will eventually go to the named charity. Deduction limits and rules for gifts to public charities apply to the contribution.

Charitable lead trusts

Charitable lead trusts are the reverse of the charitable remainder trust—that is, the charities get paid 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.

Depending on how the trust is structured, the donor enjoys a current income, gift, or estate tax deduction on the donated assets.

Charitable gift annuity

A charitable gift annuity (CGA) is a contract under which a 501(c)(3) qualified public charity, in return for an irrevocable transfer of cash or other property, agrees to pay an individual or two individuals a lifetime income. The maximum number of annuitants is two, and payments can be made to them jointly or successively. The charity will determine the payout amount based on actuarial factors.

Donors who itemize deductions can claim a charitable deduction for a portion of the original gift. This deduction is equal to the amount of the contribution less the present value of the payments that will be made to the annuitant(s) during life.

Other ways to give

Cash, securities and appreciated non-cash assets

Charitable contributions can be made by giving cash, writing checks, and using credit cards, or instructing your broker to transfer securities (e.g., long-term appreciated assets such as stocks) directly to an organization. The tax benefits from these types of contributions depend on the type of assets given and the type of recipient organization. To learn more about donating appreciated non-cash assets, refer to the previous chapter: Determine which assets to give.

Bequests and estate gifts

You may make charitable gifts through your estate—for example, by bequeathing a specific asset or gifting a percentage of your estate. Also, you may consider naming your favorite charity as beneficiary of your retirement account assets, life insurance policy, or other pay-on-death account.

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 Giving Vehicles Comparison Chart.

Reflect on your giving vehicle options

Considerations		Yes	No	Not sure	How important is this to you? (1= Not very / 5=very)
Administrative support	Are you willing to invest your time and effort on an ongoing basis and hire paid staff for your vehicle?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Anonymity	Do you prefer to give anonymously?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Asset growth potential	Would you want your philanthropic investment to increase in value over time?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Control over giving	Would you want to retain total control over granting decisions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Distribution requirement	Would you want a vehicle with an annual distribution requirement in place to keep your philanthropy moving?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Family involvement	Do you want your family members involved in giving decisions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5
Impact investments	Would you like to make investments that generate social as well as financial returns? As an example, socially conscious investors are increasingly using environmental, social, and governance (ESG) criteria to screen potential investments. Many mutual funds, brokerage firms, and robo-advisors now offer financial products that employ ESG criteria. For more information on impact investing, see Section 5: How to learn more about an organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1 2 3 4 5

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Reflect on your giving vehicle options—continued

Considerations					How important is this to you? (1= Not very / 5=very)				
		Yes	No	Not sure	1	2	3	4	5
Perpetuity	Do you want the structure to exist in perpetuity?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1	2	3	4	5
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.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1	2	3	4	5
Public disclosure	Are you willing to submit separate tax records that will be available to the public?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1	2	3	4	5
Tax implications	Are tax implications important to your choice of vehicle?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	1	2	3	4	5

Compare giving vehicles

The following chart compares the four most common ways to give.

■ Yes ■ No ■ Sometimes

Considerations	Cash and appreciated non-cash assets	Donor-advised fund	Private non-operating 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. Fees to the sponsor are paid from the donor-advised fund post-tax deduction.	■ Administrative responsibilities may be performed by paid staff or outsourced—and can be paid 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: Do your philanthropic assets have the potential to grow/increase in value over time? If you can make philanthropic investments, do you have control over how to invest?	■ Your philanthropic assets are not differentiated from your other assets. If you give assets to charity before selling them, however, you will potentially not pay tax on the gains.	■ Yes. Any growth in assets is tax-free to the donor, offering the opportunity for greater philanthropic giving in the future. The donor-advised fund sponsor is responsible for managing the core investment options offered.	■ Yes. Any growth in assets is exempt from income tax for the donor, though subject to the 1.39 percent foundation excise tax.	■ No

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Compare giving vehicles—continued

■ Yes ■ No ■ Sometimes

Considerations	Cash and appreciated non-cash assets	Donor-advised fund	Private non-operating foundation	Limited Liability Company (LLC)
Control over grantmaking: Can you retain control over granting decisions?	■ Yes Yes	■ Sometimes Donors can recommend nonprofits they wish to support to the donor-advised fund sponsor, but the final decisions rest with the donor-advised fund sponsor. Except where a proposed grant violates an announced policy, the sponsor will usually act as recommended.	■ Yes Yes, subject to the approval of the foundation board.	■ Yes Yes
Distribution requirement: Is there an annual distribution requirement in place to keep your philanthropy moving?	■ No No	■ Yes Yes, many donor-advised funds have a minimum annual distribution requirement or a policy to encourage donors to remain active with their accounts.	■ Yes Yes, private foundations are required to distribute 5 percent of their assets annually.	■ No No
Family involvement: Can your family members be involved in grantmaking decisions?	■ Yes Yes	■ Yes Yes, if you choose, when setting up your account you may involve family with privileges on that account, or they can set up their own account.	■ Yes Yes, this involvement can be formal, with family members serving on the board or as staff.	■ Yes 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 Yes, but income made from impact investments may be taxable.	■ Yes Yes, an increasing number of donor-advised funds are permitting funds under their management to be used for impact investments.	■ Yes Yes, private foundations can make program-related investments (PRIs) and mission-related investments (MRIs).	■ Yes Yes, but income made from impact investments may be taxable.

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Compare giving vehicles—continued

■ Yes ■ No ■ Sometimes

Considerations	Cash and appreciated non-cash assets	Donor-advised fund	Private non-operating foundation	Limited Liability Company (LLC)
Perpetuity: Can the structure exist in perpetuity?	■ No	■ Yes, donor-advised funds can be set up as endowed funds, and named advisors and successors—or the donor-advised fund sponsor—can keep donor-advised funds 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, grants cannot be designated for this purpose.	■ No, donations cannot be designated for this purpose.	■ Yes, these contributions are not tax-deductible.
Tax implications: What tax implications does this vehicle have for my giving if I itemize?	You may claim a tax deduction for the support of 501(c)(3) organizations.	Annual income tax deduction limits for gifts to donor-advised funds—as with any public charity—generally are 30 percent of your adjusted gross income (AGI) for contributions of non-cash assets held more than one year and 60 percent of AGI for contributions of cash. Donation amounts in excess of these deduction limits may be carried over up to five tax years.	The tax benefits of contributing to a private foundation depend on the asset. Generally speaking, donors who itemize their deductions can deduct up to 30 percent of adjusted gross income for cash contributions and up to 20 percent for appreciated securities, both may be carried over up to five tax years.	When contributions are made to a 501(c)(3) organization, the LLC's members are eligible for a tax deduction.



Activity: Selecting your giving vehicles

After reviewing the giving vehicles comparison chart, select the giving vehicles that best suit your financial objectives, charitable objectives, and giving preferences.

Which giving vehicles are you interested in using, for which assets, and for what purpose?



Activity: Your Giving Vehicles. Your answers from this exercise populate your [Giving Planner summary](#).

Giving vehicle	Which assets do you want to give through this vehicle?	What types of charitable gifts do you want to make through this vehicle?
Donor advised fund	Cash, some Apple stock, maybe the NY condo when the time is right	Girl Scouts, local food bank, start-up initiatives working on environmental issues

3 Create a giving plan

This section can help you:

- Set a charitable giving budget
- Find nonprofit organizations to support





Set a three-year charitable giving 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.

Use this chapter to help answer this question:

- How can I set my charitable giving budget over the coming three years?

Set a three-year charitable giving budget

The activity below will help you organize your giving dollars into three categories.



Your answers from this exercise populate your [Giving Planner summary](#). The figures in the table do not automatically calculate.

		1. Proactive giving includes contributions to organizations working on your selected causes		2. Reactive giving includes contributions to personal requests from family and friends to support their selected causes		3. Emergency giving includes contributions to disaster and emergency relief funds, or dire situations that emerge from unexpected policy changes	
Year	Total giving budget \$	Proactive giving budget \$	Percent	Reactive giving budget \$	Percent	Emergency giving budget \$	Percent



Find organizations to support

When trying to identify nonprofits aligned with your interests, it can sometimes feel overwhelming to determine which organizations to support.

How to research nonprofit organizations

Once you have identified the causes you want to support, you can then create a short list of organizations for which you want to conduct a review to help ensure there are no red flags before you make a contribution. The section titled [Explore Further](#) will include instructions for conducting a more thorough review of an organization in the event you are making a large contribution.

To create a short list of organizations that support your causes, you can turn to a few different resources for information and insight:

- Consult friends and experts who are knowledgeable about the causes you are looking to support for recommendations of nonprofit organizations.
- If you are interested in giving back to your community, you can look to your local community foundation to 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](https://www.cof.org/community-foundation-locator).
- You can conduct online research using Candid's free online research tool ([Candid.org](https://www.candid.org)). Candid's database can be effective once you have identified some issue areas. Candid is neutral about content, rating organizations only on the availability of self-reported information.
- An additional way to identify organizations is through issue funds. Issue funds are philanthropy products that package together nonprofit organizations into "fund" portfolios. They offer unique ways for donors to learn about and support an issue or cause through a portfolio approach, rather than giving to an individual organization. [GivingCompass.org](https://www.givingcompass.org), a nonprofit online portal that aggregates and curates quality content related to philanthropy, has a searchable database of hundreds of issue funds.



Activity:
Create a list of nonprofit organizations to consider

Create a list of all the nonprofit organizations that you have found during your search or that have been recommended to you. If you want to review the organization further, place a Y in the far-right column.

	Organization name	Website	Source of information (friend referral, online research, website, advertisement, article, etc.)	Explore further: Y/N (Include in my short list)
Cause area #1				
Cause area #2				

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Create a list of nonprofit organizations to consider—continued

	Organization name	Website	Source of information (friend referral, online research, website, advertisement, article, etc.)	Explore further: Y/N (Include in my short list)
Cause area #3				
Cause area #4				
Cause area #5				



Activity:

Create a short list of nonprofit organizations to review

For the organizations you identified for further review in the previous chart, copy that information into the table below to create your short list. If you have limited time or are making a modest gift, mark the box under **Quick check**. If you are making a sizable donation, especially one that might have a significant impact on the sector, then check **Thorough review**.

Organization name	Website	Issue area & geographic location	Quick check (ensure no red flags)	Thorough review (conduct detailed review)

The next step will guide you through an expedited review of an organization's information to ensure there are no red flags before making a gift. If you want to dive more deeply into the organization's details, or if you are considering a larger gift (such as tens or hundreds of thousands of dollars), then mark the **Thorough review** box. The template for this thorough review is available in [Section 5: How to learn more about an organization](#).

How do I prioritize organizations to support from my short list?

Once you have identified organizations you want to review, you can take two different approaches to researching their health and impact.

1. Quick review—you can review an organization’s information to ensure that there are no red flags that would prohibit you from supporting them.

2. Thorough review—you can conduct a more thorough review of an organization’s information, background, and materials before determining whether to make a gift. We recommend conducting a thorough review if you are planning a large gift.

Whether you are conducting a quick or thorough review of an organization, you will want to research the categories on the following page for each organization.

Research categories

This chart lists considerations that are important when vetting nonprofit organizations. Your review process may raise concerns or red flags related to the organization's operations, leadership, or programs. Not all red flags are deal breakers. Some red flags 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 and ongoing (e.g., lack of focus, lack of program data).

Vetting areas	Why is this important to consider?
<p>Legal status under the Internal Revenue Code</p> <p>Is the organization legally registered?</p>	<p>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 U.S. donors.</p> <p>Every organization that has been recognized as tax exempt by the IRS has to file Form 990 every year, unless they make less than \$200,000 in revenue and have less than \$500,000 in assets, in which case they have to file Form 990-EZ. Organizations making less than \$50,000 don't have to file either form but do have to let the IRS know they're still in business via a Form 990N e-Postcard.</p>
<p>Organizational history</p> <p>Can you find information about this organization in addition to what it publishes itself online?</p>	<p>An organization's track record is indicative of its experience in the field.</p> <p>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.</p>
<p>Strategy</p> <p>Does the organization clearly define its goals and strategy for creating social change?</p>	<p>Effective organizations clearly define their goals and the approach they take to meet their goals. Reading an organization's mission statement or theory of change can help you get a sense of how they are trying to achieve their goals.</p>
<p>Programs & services</p> <p>Are the organization's programs and services aligned with its mission and goals?</p>	<p>Effective organizations have consistent and complementary programs and are not spread too thin. An organization's missions and goals should be consistent—or at least complementary—across its various programs and services.</p>

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Research categories—continued

Vetting areas	Why is this important to consider?
<p>Governance & management</p> <p>Does the organization's senior staff have the relevant experience, knowledge, and skills needed for their work?</p> <p>Does the organization's board have the well-rounded experience, knowledge, and skill needed to provide the organization with strategic direction?</p>	<p>Senior staff should have experience and knowledge relevant to the organization's goals. A variety of factors can indicate staff members' capability, such as 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.</p> <p>Board members should have the expertise to provide 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 conflicts of interest with the organization's work.</p>
<p>Financials</p> <p>Is the organization's financial information publicly available?</p>	<p>Effective organizations ensure their financial health by managing their budgets efficiently, fundraising from a diversified stream of donors, and having resources in reserve.</p> <p>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 necessarily a red flag.</p>
<p>Monitoring & evaluation</p> <p>Does the organization share how it tracks and measures the success of its work?</p>	<p>Effective organizations function as learning organizations by tracking program outcomes and obtaining continuous feedback that informs their current and future work.</p> <p>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. The 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.</p>

Organizations I would like to support—continued

	Organization name	Frequency	Unrestricted/restricted	Giving vehicle
Cause area				
Cause area				
Cause area				

4 Implement your giving plan

This section can help you:

- Determine your gift's purpose, frequency, and terms
- Track, review, and refine your charitable plan over time





Define your gift's purpose, frequency and terms

Use this chapter to help answer these questions:

- What is the difference between unrestricted and restricted gifts?
- What is the difference between direct and indirect costs?
- How do I determine the frequency of my gifts?
- How do I document the terms of my gift?

Restricted and unrestricted gifts

When you make a financial gift to a nonprofit organization, you can designate it as either an **unrestricted gift**, also known as general operating support (GOS), or a **restricted gift**, sometimes referred to as program or project support.

Unrestricted gifts are contributions allocated to wherever the organization needs it most. The organization's management directs the resources to its programs or operations as needed. An example of an unrestricted gift is a contribution to a local animal shelter for use as the nonprofit sees fit.

Many philanthropic experts recommend unrestricted funding as a way to give nonprofit organizations autonomy and flexibility in allocating funds to best fulfill their missions. Grantmakers for Effective Organizations, a global network of over 7,000 grantmakers, endorses unrestricted gifts as a means to support stronger organizational health, allowing nonprofits "to direct their spending where it is needed and focus on running effective programs."

Restricted gifts are contributions given to support a specific purpose, generally for the planning and implementation of particular programs or activities. An example of a restricted gift is a contribution to a school's music program, rather than giving the gift to the general school fund.

Restricted gifts can be designated for a particular project already underway at the organization which may need additional funding for successful completion. If you think an organization should develop new areas of work, check whether the nonprofit's senior management agrees with your assessment. If you and the organization agree that it will undertake a new project, the size and duration of your commitment should be commensurate with that undertaking.

If you're making restricted gifts, consider funding both the direct costs and indirect costs.

The **direct costs** of a particular project are expenses, such as staff member compensation or travel, that are directly attributable to the project.

Indirect costs, often referred to as **overhead costs** or **administrative costs**, are not directly tied to a specific project, but are incurred across multiple projects. Examples would include electricity and heat, insurance, back-office functions, training, and technology infrastructure that ultimately affect the organization's ability to execute its programming and other expenses necessary for running the organization.

Experts recommend that indirect costs should be at least 15–20 percent of a restricted gift to ensure that an organization has the resources it needs to run both the project and the organization's activities necessary to support it.

A **gift intention** is a less formal way to discuss financial support. By simply letting an organization know that you wish to support them with the funds in your donor-advised fund account you open the door to further discussion.

Some common types of restricted gifts

Capacity-building gifts enable an organization to do its work more effectively. This can include support for such things as strategic planning, board recruitment, staff development, and fundraising. Most organizations prefer unrestricted support, so you might ask a nonprofit whether they would prefer unrestricted gifts or a restricted gift for capacity-building—or for any other type of project.

Endowment gifts, invested in perpetuity (such as for scholarships), allow organizations to keep the principal amount (the value of your gift) intact and use the investment income for charitable activities. Although an endowment gift supports an organization for the long term, it provides only a small fraction of an expendable gift each year. If an endowment fund already exists within an organization, consider adding to it rather than setting up a new fund, which entails additional administrative costs.

Frequency and terms of your gift

Decide on the frequency of your gift

When making your gift, determine whether this gift will be given one time only, on a monthly or annual basis, or if you want to give the gift according to some other timeline.

Longer-term gifts, often structured as pledges, help an organization engage in strategic planning for the future. You can either give the full amount now or give the first installment now and state your intention to give additional gifts over a period of time.

Document the terms of your gift

When making a smaller gift, you can let the organization know how you want to be recognized for the gift and if it is designated for a special project or purpose.

When making a more complex gift, such as a multi-year restricted gift, you can consider documenting a set of agreed terms with the nonprofit organization. The terms may include, but are not limited to:

- The purpose of the gift
- How to acknowledge you in public materials, if any
- The frequency of installment gifts
- The reporting requirements for the duration of the gift

The terms included in the agreement between you and the charity may be in the form of a pledge, a gift intention letter, or a grant agreement, depending on the giving vehicle and complexity involved. Additionally, the form of the agreement may determine whether it is legally binding.



Track, review, and refine your charitable plan over time

Use this chapter to help answer these questions:

- How should I record my charitable gifts?
- How do I track my charitable giving impact?
- How can I stay informed about the causes I support?
- How do I review and refine my charitable plan over time?

Record, track, and review

Record your gifts

When making a charitable gift, ensure that you receive a written acknowledgement from the charity for donations in excess of \$250. Assuming you itemize deductions, the acknowledgement may be used to support a claimed income tax deduction for the gift. Per IRS requirements, the gift acknowledgement should include the following:

- Names of the charity and donor
- Date and amount of the gift
- Detailed description of any property donated
- Statement regarding whether or not any goods or services were provided in exchange for the contribution
- In some instances, the value of goods or services provided by the charity to the donor

Develop a system for recording your gifts that allows you periodically to reflect on your overall philanthropic efforts. Use whatever format is convenient for you, such as a notebook, spreadsheet, or database. Tracking software is available and can range from an Excel spreadsheet to off-the-shelf grants management programs.

Track your impact

Donors often ask how they can track the impact of their philanthropic contributions to an organization. Many philanthropy experts discourage the inclination to track the impact of your individual contributions. Rather, they recommend proactively researching and following the programs, leadership, and financial standing of the organizations that you are funding, in order to track their overall health and impact. Therefore, by doing your research to select an organization that appears healthy and effective, you can feel confident your charitable dollars are having a positive impact.

Below are some ways to follow an organization's progress:

- Read the organizations' annual reports, which typically include their budget, accomplishments, and plans.
- Follow the organizations you support on social media platforms (e.g., Facebook, LinkedIn, Twitter).
- Read the "news" section on the websites of organizations you support, and similar organizations, or sign up for their e-newsletters.
- Attend events hosted by the organization you support.

When donors give a major gift—for example, a gift that constitutes a noticeable proportion of the organization's budget—they can consider meeting directly with the organization's staff to get updates.

Review and refine your charitable plan over time

As you follow organizations you are supporting and learn more about the sector and other players in the field, you may wish to adjust the size or frequency of your gifts, or fund new organizations or causes.

If you decide to increase your support for an organization, consider setting up a recurring annual gift. Such gifts can improve an organization's stability and financial health.

At some point, you may decide to stop supporting an organization. If you have funded an organization for a long time, you may wish 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. You may also consider setting up a transitional gift amount to phase out your support.

It is a good idea to review your charitable giving activities at least once a year. You may choose to do this together with family members, with your financial advisor, or on your own. Determine whether you are satisfied with your overall approach by asking questions such as:

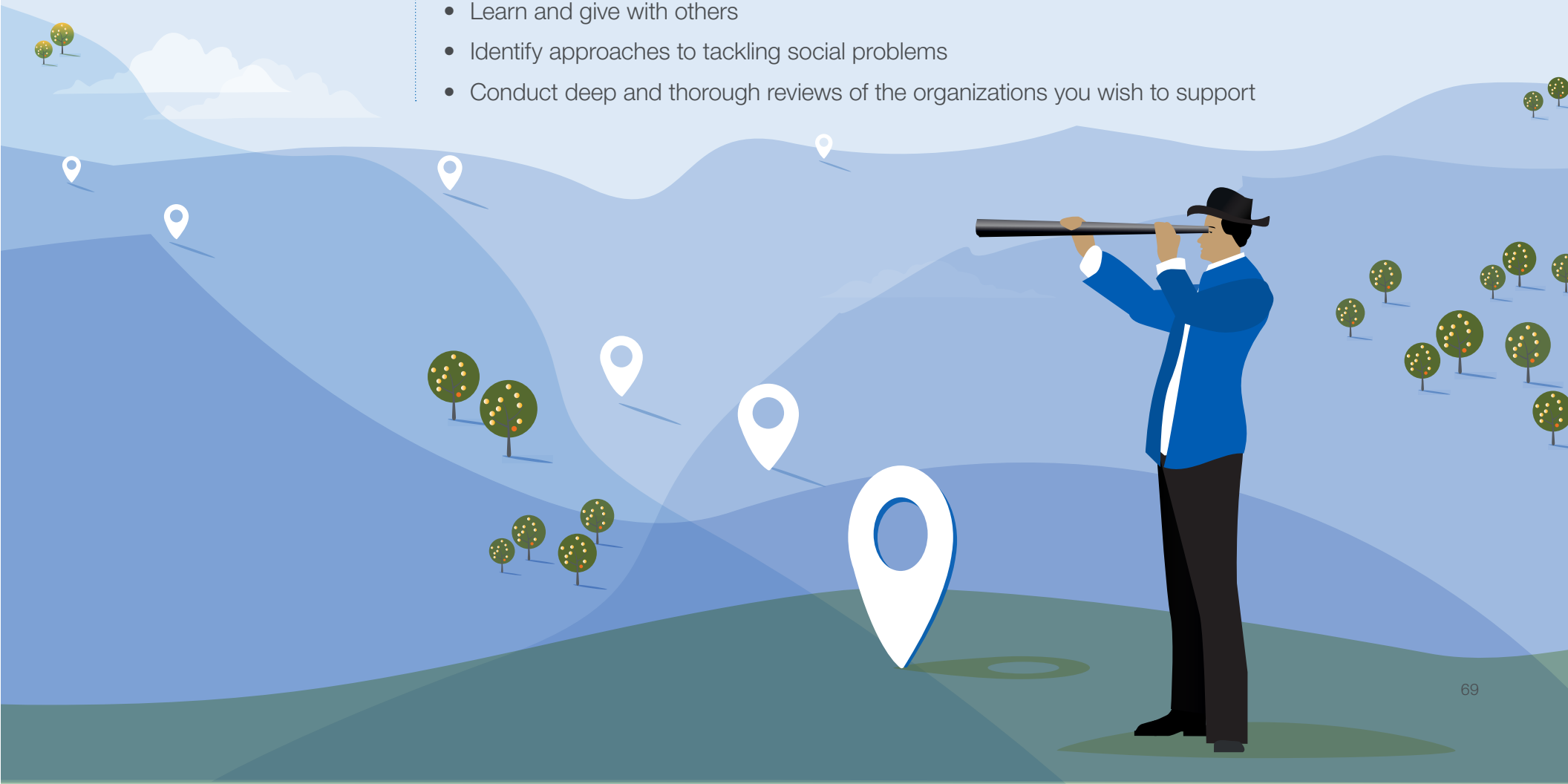
- Do you want to give more to a set of organizations?
- Do you want to explore a new cause?
- Do you want to expand your giving to include additional approaches, such as education or advocacy?

Take time to review, reflect, and refine your charitable giving plan for the following year.

5 Explore further

This section can help you:

- Contribute your time, talent, and ties
- Learn and give with others
- Identify approaches to tackling social problems
- Conduct deep and thorough reviews of the organizations you wish to support





Contribute your time, talent, and ties

Use this chapter to help answer these questions:

- Should I volunteer?
- Should I serve on a board?

Contribute your time, talent, and ties

Volunteer

You might consider deepening your charitable impact by contributing your time and talent through volunteering. Volunteering can be an excellent way to learn more about the causes you care about, and to get to know an organization. Volunteer commitments can be short-term or long-term, and they can be focused around a specific event, ongoing programming, or strategic initiatives. Nonprofit organizations sometimes post information about volunteer positions on their website.

Serve on a nonprofit board

One way to contribute at a leadership level is to serve on a nonprofit organization's board of directors. Board members are often "ambassadors" for the organization, tapping into their social and professional networks to help the organization more effectively meet its goals.

While board service can be extremely meaningful, it can also be a significant time commitment depending on the organization's needs. Serving on a board requires more than attending meetings. You will often be expected to serve on one or more committees, read and understand financial documents, and represent the organization at events. Board members are usually asked to make personal contributions as well as to raise funds from personal and professional networks. You may also be asked to network with potential donors on behalf of the organization.

If you are considering volunteering or serving on a board, reflect on the questions on the next page.



Activity: Consider your time, talent, and ties

General volunteering considerations	Notes
Is there a cause or organization you would like to learn more about through firsthand experience?	
Is there an organization you would like to volunteer with? Are they accepting volunteers? What are volunteers' responsibilities? What is the time commitment?	
How many hours do you want to volunteer every week?	
Nonprofit board service considerations	Notes
Do you have enough time to serve on a board?	
What are you hoping to achieve from serving on a board?	
What skills or expertise do you offer an organization's board?	
Are you willing and able to meet fundraising expectations?	
How might you tap into your personal and professional networks to assist the organization in meeting its goals?	



Learn and give with others

Use this chapter to help answer these questions:

- How can I learn with and from others about the giving process?
- How can I give alongside other donors?

Learn and give with others

You may find that you would like to transition your charitable giving journey from learning individually to learning more about your selected cause areas from experienced peer donors, philanthropic experts, and other sector specialists. Quite a few organizations offer educational and networking opportunities for both new and experienced donors. You can also hire experts to support you throughout your giving.

Type of opportunity	Description and activities	Examples
Educational courses	<ul style="list-style-type: none"> • Education providers across the country support donors with their charitable giving practice through activities, such as workshops, conferences, online courses, and webinars 	<p>The National Center for Family Philanthropy Indiana University Lilly Family School of Philanthropy</p> <p>Stanford PACS Effective Philanthropy Learning Initiative</p> <p>The Aspen Institute's Program on Philanthropy and Social Enterprise</p>
Donor learning networks	<ul style="list-style-type: none"> • Learning networks provide donors with a community with which to begin or deepen their charitable giving learning experience • Donors often pay a fee to participate in the program curriculum. Some make relatively small investments into a pooled fund managed by the network, in order to learn about the giving process while making gifts from the pooled fund 	<p>Silicon Valley Social Venture Fund (SV2)</p> <p>Social Venture Partners (SVP)</p> <p>The Philanthropy Workshop (TPW)</p>

Learn and give with others—continued

Type of opportunity	Description and activities	Examples
Affinity groups	<ul style="list-style-type: none"> Affinity groups bring together donors interested in a common issue, theme, identity, or geographic area Some pool their resources (see collaborative pooled funds below), while others share their approaches and strategies Host activities such as in-person meetings, expert panels, interactive workshops, and webinars <p>Their email lists and online forums provide a space for donors to share ideas, research, and experiences on a regular basis.</p>	<p>Asian Americans/Pacific Islanders in Philanthropy</p> <p>The Jewish Funders Network</p> <p>Women Donors Network</p>
Platforms with discrete, curated giving opportunities	<ul style="list-style-type: none"> Provide donors with a curated set of investment opportunities with a social mission Donors consider opportunities that are pre-vetted and/or “shovel-ready” 	<p>TED’s Audacious Project</p>
Giving circles	<ul style="list-style-type: none"> Networks of peer donors Usually require a donor contribution to join Circles help participants collectively learn about the charitable giving process, learn more about specific causes or issues, pool funds to make charitable gifts, and participate in volunteer opportunities Giving circles are usually hosted by a nonprofit organization, so a donor’s contribution donation is immediately tax-deductible even if giving decisions are made later in the process 	<p>Philanthropy Together</p>

continued on next page

Learn and give with others—continued

Type of opportunity	Description and activities	Examples
Issue funds	<ul style="list-style-type: none"> Issue funds are philanthropy products that package together nonprofit organizations into “fund” portfolios, which have been curated and vetted by a third-party organization 	<p>More information on issue funds can be found on https://givingcompass.org/funds</p>
Collaborative pooled funds driving toward large-scale change	<ul style="list-style-type: none"> Provides platform for donors to pool large-scale funding Donors are often involved in some capacity to inform or co-create the fund’s strategy and deploy the fund’s resources Donors also focus on regranting, advocacy, and thought leadership on the topic 	<p>Blue Meridian Partners Co-Impact Oceans 5 The End Fund</p>

Table adapted from “Helping High Net Worth Individuals Give with Greater Impact,” written by Nadia Roumani for the Gates Foundation.



Activity: Consider your time, talent, and ties

Philanthropist Resource Directory

The Stanford PACS Effective Philanthropy Learning Initiative designed the Philanthropist Resource Directory (PRD)—an inventory of approximately 280 organizations across the United States that support donors' activities. You can visit it here: pacscenter.stanford.edu/philanthropist-resource-directory.

Are there any organizations, educational opportunities, giving circles, or collaborative funds you want to explore further?

1

2

3

4



Identify different approaches to tackle social problems

Finding solutions to complex social problems such as homelessness, poverty, food insecurity, or climate change is challenging. Nonprofit organizations use different approaches in order to bring about change. Donors may also wish to explore the concepts of equity and impact investing when considering how to address social problems.

Use this chapter to help answer these questions:

- What approaches do nonprofit organizations use to tackle complex social challenges?
- How to take a more equity-centered approach to philanthropy.
- Considerations for making investments to achieve social and environmental benefits.

Approaches nonprofits use to address social problems

Three different approaches to addressing social problems:

The following table describes three different approaches nonprofits use to address social and environmental problems. Organizations and donors can use more than one approach, depending on their capacity. This framework can help you determine which approach you want to support when tackling a cause (thereby narrowing your search for organizations) or help you refine your giving strategy

Provide goods and services directly	Engage directly with beneficiaries through programs and services <i>Examples: women's shelters, soup kitchens, health clinics</i>
Support research and knowledge development	Support the generation and dissemination of research and applied knowledge <i>Examples: medical school cancer research centers, policy research conducted by universities or think tanks</i>
Advocacy, movement building, and changing societal mindsets	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 <i>Examples: campaigns for climate change mitigation, better food nutrition labels, living wages, gay rights, or reproductive health</i>

The following examples show how issues can be addressed using different approaches:

Sample causes	Providing goods and services	Promoting knowledge	Advocacy and movement-building
Suicide prevention (mental health)	Crisis helplines for individual suicide prevention	Suicide prevention peer-training workshops for underserved populations	Campaigning for mental health coverage under health insurance
Animal rescue (animal welfare)	Animal rescue services and shelters	Training and research on best practices for shelters	Advocating for more humane policies that regulate breeding
National park conservation (natural resources conservation & protection)	After-school and summer national park programs for children	Monitoring of park conservation efforts	Advocating for more federal funding for national parks

Taking an equity-centered approach to your giving

Many donors have asked how they can take a more equity-centered approach to their giving. The following are a few suggestions:

Give to organizations or collaborative funds that are centering equity, and consider taking a more equity-centered approach with your funding process:

Identify **equity-centered organizations**: These organizations address racial disparities, gender inequality, economic inequities, LGBTQ+ rights, environmental justice, and other social justice concerns. Focus on organizations that prioritize and center the needs and voices of marginalized communities affected by these issues. Additionally, try to identify organizations led by individuals from these marginalized communities, as they often have a deeper understanding of the communities they serve. Giving Compass provides several topic guides, including one on [racial equity](#), as well as pages providing a deep dive into [climate justice](#), [digital equity](#), [indigenous peoples](#), [LGBTQIA+](#), and [racial justice](#), among others.

Contribute to **collaborative funds that center equity** — these funds focus on communities most impacted by systematic inequality. These are often the community-led organizations that are most proximate to the causes identified and most under-resourced. Giving Compass provides a vetted list of [issue funds](#) which can be searched by topic.

Consider a **place-based funding approach**, especially supporting organizations led by people of color. This approach directs resources to a particular region or community, providing opportunities for donors to connect more directly with the communities they are supporting. Donors often collaborate with local stakeholders to identify where they can contribute most meaningfully. The National Center for Family Philanthropy has curated a set of helpful resources titled [Pride of Place](#).

Consider using a **Trust Based philanthropy approach**, which encourages donors to provide multi-year unrestricted funds; listen to and learn from the communities you aim to support; shift onus of collecting information from the nonprofit to the grantmaker; simplify and streamline paperwork; be transparent and responsive; solicit and act on feedback; and provide support beyond the check.

Read through this collection of [donors stories on Giving Compass](#) for inspiration from a range of different ways to take an equity centered approach to your giving.

Remember that giving to equity-based issues requires ongoing learning, reflection, and a commitment to addressing root causes of inequities. For additional reading, [Camelback Ventures' Giving Compass Collection](#) includes a list of articles about racial equity in philanthropy. By being intentional and thoughtful in your giving, you can contribute to positive change and support a more equitable society.

Investing with Impact

“Investing with Impact” is an expansive statement about the act of purposely making investments that help achieve certain social and environmental benefits. It is an investing approach that considers factors beyond risk and return.

Here is a list of several common options for investing with impact along with their definitions:

Recoverable grants	Capital is granted with the potential for recipient nonprofits to voluntarily return some or all funds if certain outcomes occur (e.g., a program successfully generates revenue). A recoverable grant is not a loan.
Impact investing	Impact investments are a means to deploy capital to a nonprofit, whose mission the donor wants to support. With impact investing, clients are purposefully making investments that instructs that positive outcomes are of the utmost importance (even above returns).
ESG and SRI	ESG investment options are based on an evaluation process that supplements traditional financial analysis by identifying ESG (using environment, social and governance) risks and opportunities, but financial returns remain the primary objective. SRI goes one step further than ESG by eliminating or adding investments based solely on a specific ethical consideration.
Thematic investments	Thematic investing is an approach that allows client donors to group investments into overarching themes that align with personal interest and values. There are many ways to invest thematically, including thematic ETFs and mutual funds, or by using thematic stock lists and screeners.

This field is rapidly changing. We suggest speaking with your financial advisor to discuss your desired impact, risk tolerance, and options.



How to learn more about an organization

Section 3 of this Guide introduced the process for conducting a quick review of an organization's health and effectiveness. However, there may be times when you want to conduct a more thorough review of an organization. There could be many reasons for conducting a deeper dive, such as a desire to learn more about how an organization is tackling a societal problem, to determine whether you want to increase your support, or to ascertain whether you wish to serve on the organization's board.

Use this chapter to help answer these questions:

- How can I conduct a more thorough review of an organization?
- Where can I learn more about monitoring and evaluating an organization's progress?

Conduct a thorough review

The **Thorough Review** worksheet at the end of this chapter will provide you with a template to conduct more comprehensive due diligence on an organization. The worksheet includes more detailed questions across the categories outlined in the quick review sheet in Section 3.

In addition to the categories of legal status, programs and services, strategy, governance, and financials, the worksheet includes questions about the organization's monitoring and evaluation processes. Successful nonprofit organizations tend to have robust monitoring and evaluation processes.

Monitoring is the systematic, routine collection of information from an organization's programs and services. 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 specific, measurable, attainable, realistic, and timely (SMART) targets enable organizations to learn from their work and continually refine their programs.

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 the preceding section: Identify different approaches to tackle social problems, 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.

Organizations have a wide range of measurement and evaluation reporting practices, from very basic to sophisticated. Sophisticated program measurement and evaluation require significant resources 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.

Conduct due diligence

For each organization on your short list, 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 these questions before you begin your research.

Legal status/organizational history	Yes	No	Not sure
Is the organization legally registered?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Does the organization have offices in the regions where it works? If so, where?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is media coverage (if any) of the organization positive?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Goals and approach	Yes	No	Not sure
Does the organization clearly define its goals and strategy for creating social change?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Programs and services	Yes	No	Not sure
Are the organization's programs and services aligned with its mission and goals?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance and management	Yes	No	Not sure
Does the organization's senior staff have the relevant experience, knowledge, and skills needed in their work?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Does the organization's board have well-rounded and appropriate experience, skills, and capacity needed to provide the organization with strategic direction?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

continued on next page

Conduct due diligence—continued

Financials	Yes	No	Not sure
Have the organization's financial records been audited?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are the organization's revenue and funding sources diverse (e.g., from across foundations, corporations, government agencies, and individuals)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the organization's revenue greater than its expenses?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring and evaluation	Yes	No	Not sure
Does the organization share its outcomes and impact from past programs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

continued on next page

Advanced due diligence

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 the organization in question, you can use the remaining questions to learn more. Otherwise, skip ahead to the end of the worksheet.

Does the organization have offices in the regions where it works? If so, where?	Yes	No	Not sure
<p>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.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Does the organization have sufficient evidence or research supporting its chosen strategy?	Yes	No	Not sure
<p>Ask how the organization created its strategy. This can include social science research evidence, evidence from its previous work, or feedback from beneficiary communities.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the organization's work aligned with the needs of its target population?	Yes	No	Not sure
<p>Ask how the organization seeks 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.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are the organization's goals and approach coherent over time?	Yes	No	Not sure
<p>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.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

continued on next page

Advanced due diligence—continued

<p>Are the organization's revenue and funding sources diverse (e.g., from across foundations, corporations, government agencies, and individuals)?</p>	<p>Yes No Not sure</p>
<p>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.</p>	<p><input type="radio"/> <input type="radio"/> <input type="radio"/></p>
<p>Does the organization incorporate what it learns into future programs?</p>	<p>Yes No Not sure</p>
<p>Effective organizations expand on past successes, and do not repeat past failures.</p>	<p><input type="radio"/> <input type="radio"/> <input type="radio"/></p>
<p>Is the organization's revenue greater than its expenses?</p>	<p>Yes No Not sure</p>
<p>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.</p>	<p><input type="radio"/> <input type="radio"/> <input type="radio"/></p>
<p>Does the organization have a suitable plan for monitoring and evaluating its current programs?</p>	<p>Yes No Not sure</p>
<p>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.</p>	<p><input type="radio"/> <input type="radio"/> <input type="radio"/></p>

continued on next page

Advanced due diligence—continued

Is the organization heading into or in the midst of any significant leadership transitions?

Yes No Not sure

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.

Is the organization's current budget made available? If so, is the organization's budget appropriate for its goals and strategies?

Yes No Not sure

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.

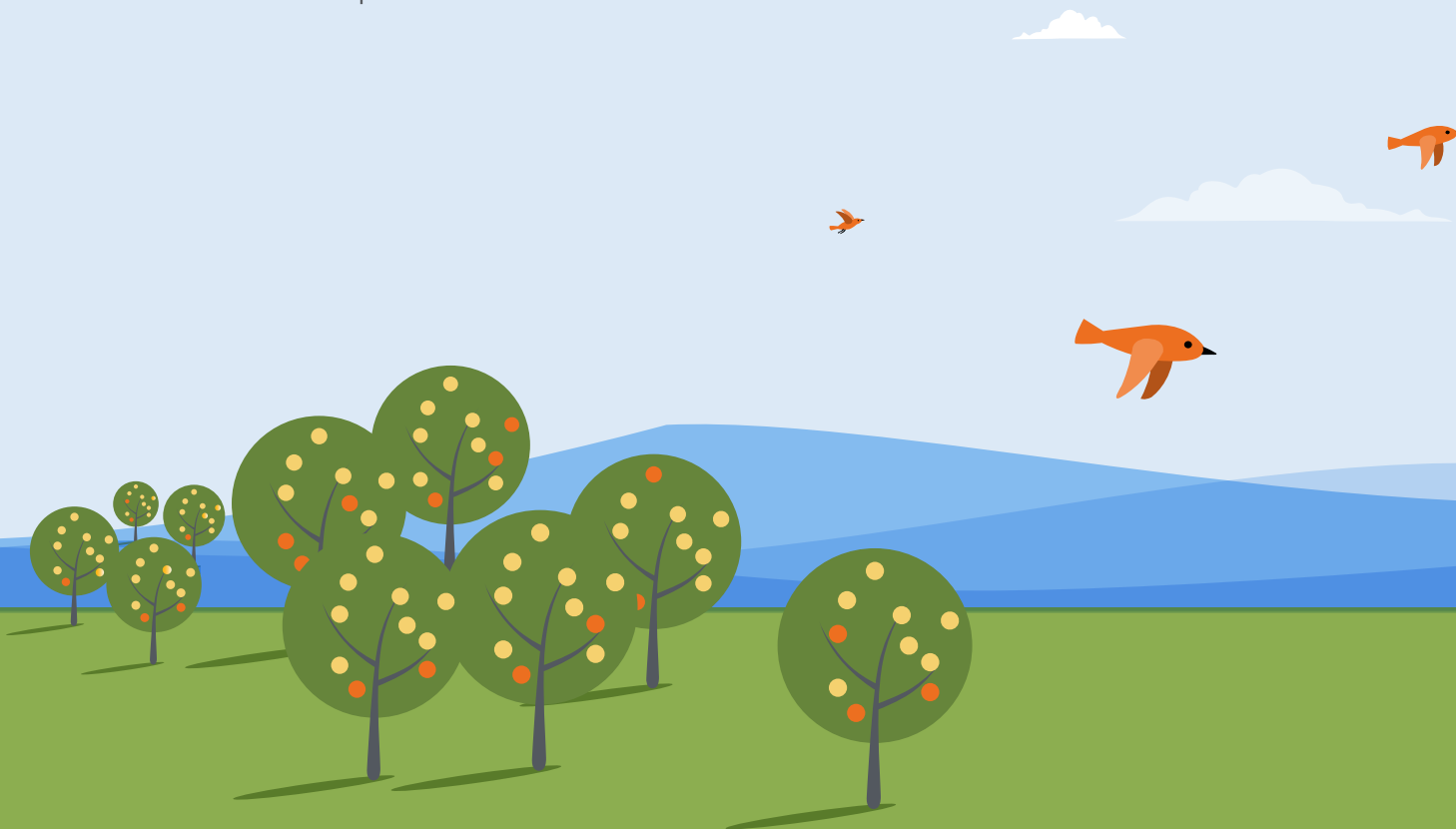
As you learn more about the organization, keep the following question in mind:

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

6 DAFgiving360 Giving Planner

The Giving Planner section of the DAFgiving360 Giving Guide summarizes the decisions you've made as you worked through the various chapter activities. The Giving Planner can be reviewed with family members and/or advisors and can be updated over time.



DAFgiving360 Giving Planner

Your goals

Top five values that guide your giving

< Activity

Value #1

Value #2

Value #3

Value #4

Value #5

Top five causes

< Activity: Looking back

< Activity: Clean slate

	Cause	Population	Geography
1			
2			
3			
4			
5			

Your goals—continued

Focus statements

< Activity

I want to address _____
for _____
because this aligns with my commitment to _____

I want to address _____
for _____
because this aligns with my commitment to _____

I want to address _____
for _____
because this aligns with my commitment to _____

I want to address _____
for _____
because this aligns with my commitment to _____

I want to address _____
for _____
because this aligns with my commitment to _____

Your goals—continued

Engaging family members

< Activity

Who	Potential role and expected commitment	Conversation planning notes for your discussion	Notes from the conversation

Engaging the next generation—giving allowances

< Activity

Name	Allowance	Frequency

Your approach

Your giving vehicles

< Activity

Giving vehicle	Which assets do you want to give through this vehicle?	What types of charitable gifts do you want to make through this vehicle?

Three-year charitable giving budget

< Activity

Year	Total giving budget \$	Proactive giving budget \$	Percent	Reactive giving budget \$	Percent	Emergency giving budget \$	Percent

Organizations to support

You will need to fill in the specific budget amounts for each organization, the remaining data points have been pulled from activities on pages 53 and 61.

< Activity

	Organization	\$ Amount	Frequency	Unrestricted/restricted	Giving vehicle
Total giving budget					
Proactive giving budget					
Cause 1:					
Cause 2:					
Cause 3:					
Cause 4:					
Cause 5:					
Reactive giving budget					
Log gifts as they occur					
Emergency giving budget					
Log gifts as they occur					

Appendix



Cause cards

< Back

<p>Animal Related</p> <ul style="list-style-type: none">• Animal Protection & Welfare• Veterinary Services• Wildlife Preservation & Protection• Zoos & Aquariums	<p>Law & Society</p> <ul style="list-style-type: none">• Criminal Justice Reform• Crime Prevention• Law Enforcement• Legal Services• Protection Against Abuse• Rehabilitation Services	<p>Health</p> <ul style="list-style-type: none">• Diseases & Conditions• Hospitals & Primary Healthcare• Medical Research• Mental Health• Public Health• Rehabilitative Care• Reproductive Health	<p>Environment</p> <ul style="list-style-type: none">• Climate Change• Environmental Education• Natural Resources Conservation & Protection• Pollution Abatement & Control• Recycling Programs	<hr/> <p>Write in your own</p>
<p>Disaster Preparedness & Relief</p> <ul style="list-style-type: none">• Disaster Preparedness & Relief Services• Search & Rescue Squads	<p>Arts, Culture & Humanities</p> <ul style="list-style-type: none">• Arts & Culture• Arts Services• Historical Organizations• Humanities• Media & Communications• Museums• Performing Arts• Visual Arts	<p>Social Services</p> <ul style="list-style-type: none">• Children & Youth Services• Fair Employment• Family Services & Assistance• Housing & Shelter• Labor Unions	<p>International Development</p> <ul style="list-style-type: none">• International Human Rights• International Peace & Security	<hr/> <p>Write in your own</p>
<p>Food and Nutrition</p> <ul style="list-style-type: none">• Food Programs & Security• Nutrition	<p>Education</p> <ul style="list-style-type: none">• Adult Education• Elementary & Secondary Education• Graduate & Professional Education• Higher Education• Libraries• Special Education• Vocational & Technical Education	<p>Civil Rights & Advocacy</p> <ul style="list-style-type: none">• Civil Liberties• Civil Rights• Democracy• Intergroup & Race Relations• Voter Education & Registration	<p>Other</p>	<hr/> <p>Write in your own</p>

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