SMART GIVING CIRCLES
THE PLAN
PHILANTHROPY
LEARNING-ACTION-NETWORK
Make a difference today that will last forever

SMART GIVING CIRCLES:
FACILITATOR
&
GROUP MEMBER
GUIDE

Chester County Community Foundation
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West Chester, PA 19382
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growing philanthropy
for good, forever
Overview of NPO Sector, nationally and locally

- What’s a nonprofit? How many exist? What are the various types? (FOI, org phase/size)
- What are biggest similarities/differences between nonprofits & for-profits & governmental orgs?
- What are the biggest issues facing the nonprofit sector?
- What types of nonprofits most interest us as a group?
- How can we tell if a nonprofit does good work?
  - due diligence areas: Mgt/Admin (personnel) - Fundraising (resources) - Programs/Services
  - due diligence methods:
    - website review, formal site visit, informal site visits, proposal review, IRS 990 & audit review
  - review & discuss Key Funding Discernment Questions, to help with funding decisions
501(c)(3) organizations are classified into ten major categories (nonprofit NTEE taxonomy)

1. Arts, culture & humanities...museums, symphonies, orchestras, community theatres
2. Education & research...private colleges & universities, independent elementary & secondary schools, noncommercial research institutions
3. Environmental & animals...zoos, bird sanctuaries, wildlife organizations, land protection groups
4. Health services...hospitals, public clinics, nursing facilities
5. Human services...housing, shelter, sport and recreation programs, youth programs
6. International & foreign affairs...overseas relief & development assistance
7. Public & societal benefit...private & community foundations, civil rights organizations, civic, social, & fraternal organizations
8. Religion...houses of worship & their related auxiliary services
9. Mutual/Membership Benefit...professional societies & associations, fraternal societies, pension & retirement funds
10. Unknown, Unclassified
For-profit business sector

Government sector

Non-profit sector
2015 was America's most-generous year ever!

$373.25 billion

Where did the generosity come from?

- **71% Giving by Individuals**
  - $264.58 billion
  - Increased 3.8% percent when inflation-adjusted over 2014.

- **16% Giving by Foundations**
  - $58.46 billion
  - Increased 6.5% higher than in 2014 (6.3% when inflation-adjusted).

- **9% Giving by Bequest**
  - $31.76 billion
  - Increased 2.1% percent when inflation-adjusted over 2014.

- **5% Giving by Corporations**
  - $18.45 billion
  - Increased 3.9% percent when inflation-adjusted over 2014.

Where are all of the charitable dollars going?

- **32% Religion**
  - $119.30 billion
- **15% Education**
  - $57.48 billion
- **12% Human Services**
  - $45.21 billion
- **11% To Foundations**
  - $42.26 billion
- **8% Health**
  - $29.81 billion
- **7% Public-Society Benefit**
  - $26.95 billion
- **5% Arts, Culture, and Humanities**
  - $17.07 billion
- **4% International Affairs**
  - $15.75 billion
- **3% Environment/Animals**
  - $10.68 billion
- **2% To Individuals**
  - $6.56 billion


*All figures on this infographic are reported in current dollars unless otherwise noted.*
Selected NPOs: Youth Mentoring

- Big Brothers, Big Sisters
- CASA (Court Appointed Supported Youth Advocates)
- Chester County Futures
- Junior Achievement
- Valley Youth House
- Youth Mentoring Partnership

Review for possible gifts of time, talent and treasure
DUE DILIGENCE AREAS

Level 1: Basic Compliance 501 (c)(3)

Level 2: Performance

• Organizational history & track record
• Constituents served
• Governance & executive leadership
• Organizational vision & strategy
• Plans, initiatives, outcomes, evaluation
• Human resources: staff & volunteer
• External communications
• Relationships, partnerships & networks
• Financial health
Smart Giving Circles
Possible Next Steps

Online: Website review, proposal review, IRS990/audit review - www.guidestar.org

In-person: Call; informal site visit/drop in

Affirm: Top 2 or 3 nonprofits of most interest to the group

Due Diligence Discussion
✓ Review: Discuss 2 or 3 nonprofits “Due Diligence Areas” based on website review, proposal review, 990/audit, informal calls/site visit. Narrow to Top 2 for site visits.
✓ Outline key issues to be discerned on site visits and in 1:1 conversations
✓ Agree on site visit schedule for top 2 nonprofits
## Smart Giving Circles: Decision Criteria

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<th>Criteria</th>
<th>Yes</th>
<th>Maybe</th>
<th>No</th>
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<tbody>
<tr>
<td>Important community need</td>
<td>NPO is using substantiated, effective methods to solve a clear and compelling unmet need</td>
<td>NPO has identified a compelling need; methods/services may be somewhat ineffective</td>
<td>NPO is duplicative of other NPOS and is not meeting unique need &amp;/or Methods/services are ineffective</td>
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<td>Reaching &amp; serving constituents well</td>
<td>NPO has capacity to reach and serve constituents well, with a proven track record of high quality services</td>
<td>NPO has the potential, but is in need of certain qualifications</td>
<td>NPO does not exhibit sufficient evidence of outreach nor service</td>
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<td>Strong leadership: staff &amp; board</td>
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<td>Org vision, innovation &amp; nimbleness</td>
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<td>Appropriate partnerships &amp; alliances</td>
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<td>Fiscal health/need</td>
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**Notes:**
- **Important community need:**
  - NPO is using substantiated, effective methods to solve a clear and compelling unmet need.
  - NPO has identified a compelling need; methods/services may be somewhat ineffective.
  - NPO is duplicative of other NPOS and is not meeting unique need &/or Methods/services are ineffective.

- **Reaching & serving constituents well:**
  - NPO has capacity to reach and serve constituents well, with a proven track record of high quality services.
  - NPO has the potential, but is in need of certain qualifications.
  - NPO does not exhibit sufficient evidence of outreach nor service.
Smart Giving Circles
Where do we go from here?

**Online:** E-mail site visit notes/observations to Group

**Debrief & Decide**
- Debrief on site visits
- Prioritize giving & volunteering opportunities
- Decide next steps with NP A, NP B

  champion its cause; encourage others to attend FR events & volunteer, etc.

**What’s next?**
- Future Giving Circle Meetings. Break / Re-Join / Re-Up New Giving Circle
Next Steps

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<th>INTERESTING POINT</th>
<th>WHAT TO DO</th>
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