

# SMART GIVING CIRCLES THE PLAN

PHILANTHROPY  
LEARNING-ACTION-NETWORK

*Make a difference today that will last forever*



*Chester County*  
COMMUNITY FOUNDATION

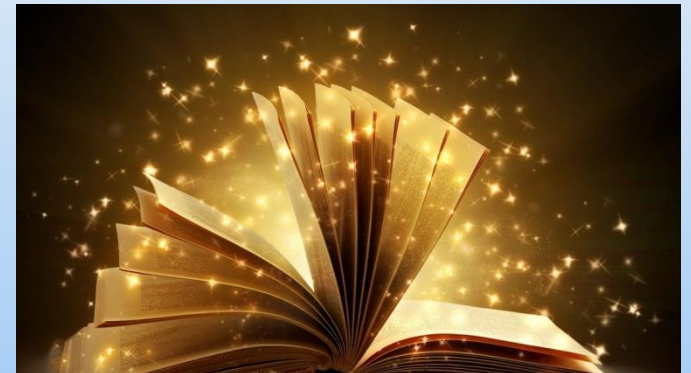
28 W. Market Street—The Lincoln Building  
West Chester, PA 19382  
(610) 696-8211 info@chescofc.org

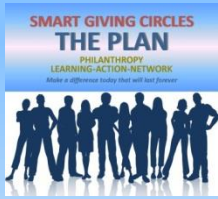


## SMART GIVING CIRCLES:

## FACILITATOR & GROUP MEMBER GUIDE

  
ROCKWELL  
CUSTOM





# Smart Giving Circles

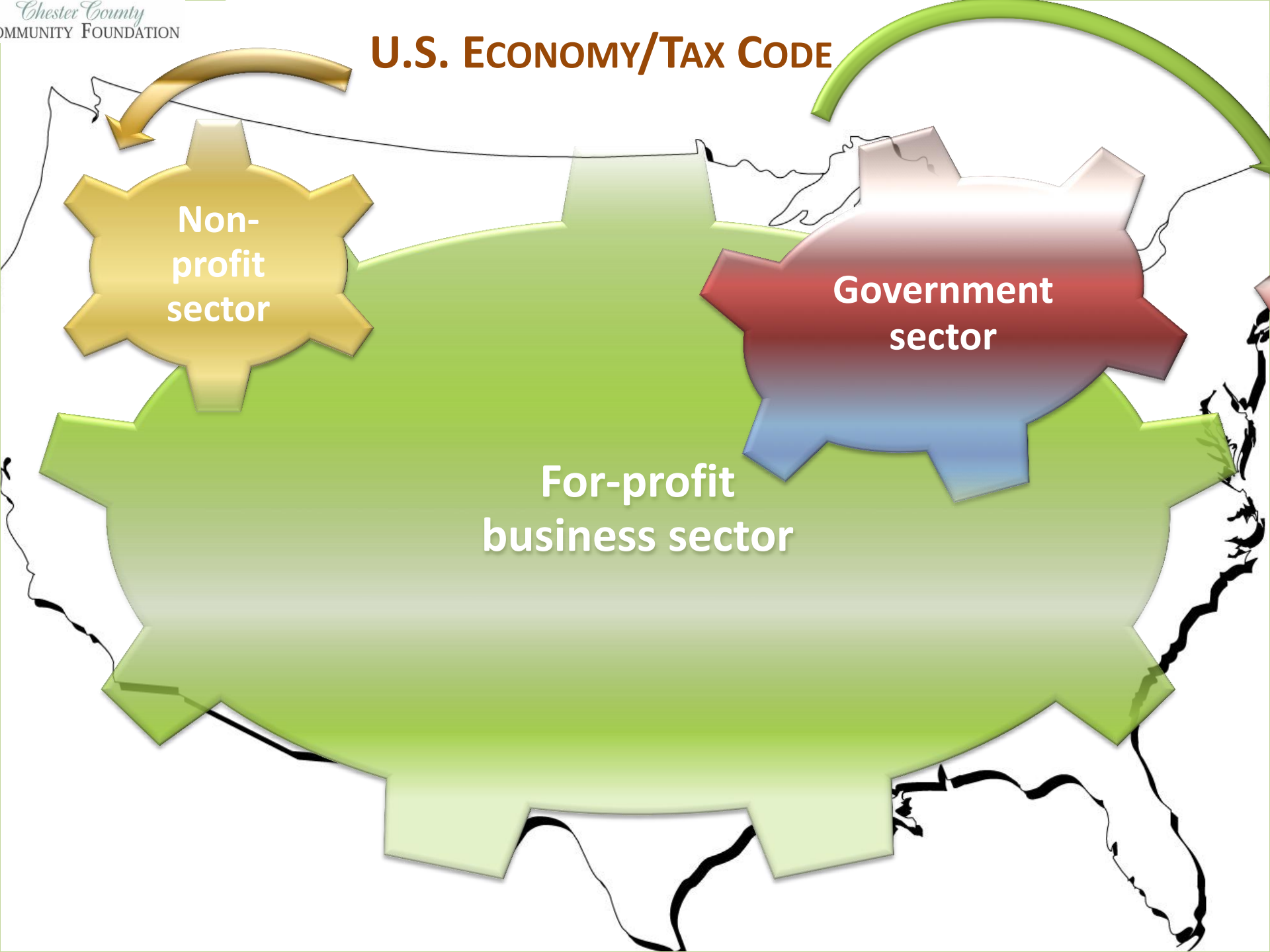
## NPO Discussion

### 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



## U.S. ECONOMY/TAX CODE



**Non-  
profit  
sector**

**Government  
sector**

**For-profit  
business sector**

# NONPROFITS & CHARITIES

## Private Foundations

Independent/  
Family  
Foundations

Company-Sponsored/  
Corporate  
Foundations

Operating  
Foundations

Public  
Foundations

**Community  
Foundations**

*Chester County*  
COMMUNITY FOUNDATION

United Ways

Health  
Conversion  
Funding  
Foundations

## Nonprofit Direct Service Organizations

Arts  
Culture

Education

Environment

Social Service  
Human Welfare  
Health

Scientific  
Religious  
Literary  
Public Safety

Commercial  
Donor Advised Funds

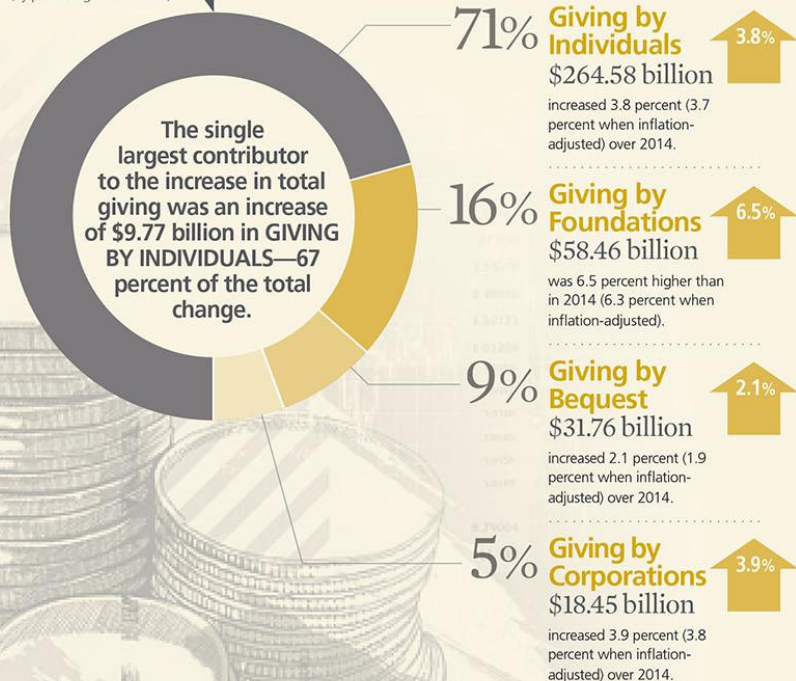


2015 was America's most-generous year ever!

# \$373.25 billion

## Where did the generosity come from?\*

Contributions  
by source  
(by percentage of the total)



Visit [www.GivingUSA.org](http://www.GivingUSA.org) to learn more and to order your copy of *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*.

\* All figures on this infographic are reported in current dollars unless otherwise noted.



Giving to **international affairs** increased 17.5 percent in 2015 after two consecutive years of decline. That large increase may be attributable to growth in the number of active international charitable organizations; use of more strategic fundraising methods; and increased focus on international issues among foundations.



While the percentage of total charitable contributions given to **religion** has steadily shrunk for decades, from 2014 to 2015, this subsector **held firm at 32%** of total giving.

## Where are all of the charitable dollars going?

(as a percentage of the total)



The growth rate in giving to **educational organizations** exceeded 5 percent in 2015, a trend also seen in four of the five years between 2010 and 2014.



Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



**Giving USA™**  
Shared intelligence.  
For the greater good.



**THE Giving Institute™**  
Shared intelligence.  
For the greater good.



**IUPUI**

LILLY FAMILY SCHOOL OF PHILANTHROPY

## 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



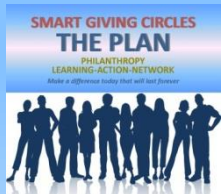
**Online:** Website review, proposal review, IRS990/audit review - [www.guidestar.org](http://www.guidestar.org)

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

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

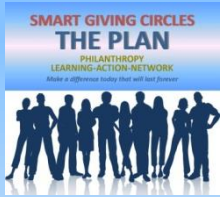
## Due Diligence Discussion

- ✓ 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

Criteria	Yes	Maybe	No
<b>Important community need</b>	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
<b>Reaching &amp; serving constituents well</b>	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
<b>Strong leadership: staff &amp; board</b>			
<b>Org vision, innovation &amp; nimbleness</b>			
<b>Appropriate partnerships &amp; alliances</b>			
<b>Fiscal health/need</b>			



# 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



## INTERESTING POINT

## WHAT TO DO

1

2

3

4

5