



hosting a giving circle

THE BENEFITS and CHALLENGES
of GIVING TOGETHER

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the Forum of Regional Associations of Grantmakers**

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In memory of Joe Breiteneicher

Joe Breiteneicher contributed more to the development of the Forum’s New Ventures in Philanthropy initiative than just about any other person. We present this report in honor of him and his work. Joe was President and CEO of The Philanthropic Initiative (TPI), in Boston, Mass, which gave shape to the idea of New Ventures in Philanthropy. He served on and gave his wisdom to the New Ventures in Philanthropy Advisory Committee and the Forum Board of Director’s Executive Committee at the time of his death, June 22, 2007. New Ventures, however, was just one of the projects for which we remember him; Joe’s enthusiasm and passion for his work will continue to inspire his friends and colleagues—and this field—for many years. While this report attempts to commemorate Joe’s contributions to our work, we are humbled by his dedication and commitment to growing new philanthropy. New Ventures is forever in his debt, but it is a debt we will gladly try to fulfill.

Hosting a Giving Circle: The Benefits and Challenges of Giving Together

NEW VENTURES IN PHILANTHROPY

AN INITIATIVE OF THE FORUM OF REGIONAL ASSOCIATIONS OF GRANTMAKERS

THE IDEA MAY COME OUT OF THE BLUE...

A group of 20 motivated individuals have decided to make your community a better place by pooling their \$1,000 donations and giving grants to local nonprofits. They aren't quite sure how they will narrow their focus and make decisions, but they want to learn about community needs and related organizations before starting to give. This group approaches your organization to ask if you will accept their donations into a pooled fund, provide them with administrative support, and write checks once they decide where to grant their money. "We'll do everything else ourselves!" they promise. "We can't wait to get started!"

OR BEGIN AS A COLLABORATIVE VENTURE...

One of your board members has just read an article about giving circles in the *New York Times*. She runs in clutching the article and her Rolodex. "This will be a great way to reach out to more women," she exclaims, "and I have so many friends who would be interested!" She turns to you imploringly. "If I get this started, can we put the money in a donor-advised fund here at the community foundation?"

OR EMERGE AS A DELIBERATE STRATEGY...

Your organization's strategic plan calls for increasing visibility, particularly among younger adults and Latinos, who have never been engaged in your work. A task force charged with coming up with ideas to address this goal thinks that a giving circle targeting young Latinos would be a great way to reach out to these two groups, provide a community service, and increase your organization's visibility. "Plus," they say, "We think it would be fun to work with some young, passionate donors who really want to get involved."

No matter how a giving circle and a host organization start out, the partnership will be more successful in the long run when both sides understand the rewards and challenges of giving together.

Giving circles, as most in the philanthropic world know by now, are emerging across the country. Although they take many different forms and have diverse priorities, they share the goal of pooling donors' money, learning, and giving collectively. Some giving circles are small and informal, never requiring nor desiring assistance from an established organization. Others decide to seek their own 501(c)(3) status so they can accept tax-deductible donations and make grants.

But most giving circles affiliate with, or develop in cooperation with, a host organization. The host may be a public or private foundation, a nonprofit organization or association, or a university or other public institution.

Hosting a giving circle may be a simple affair in which the host organization provides a minimal level of service and receives, in return, a small fee and other less tangible benefits. Or hosting can be an intense partnership in which the giving circle (often created or co-created by the host organization) is an integral part of its host, with which it has a complex, multi-layered relationship. When structured thoughtfully, the host/giving circle relationship can be a healthy symbiosis that meets the needs and goals of both parties.

Each of the three scenarios described above represents a typical way in which a giving circle and a host organization come together—usually with great excitement and always with the best of intentions. To maintain that excitement and ensure a smooth partnership, potential hosts should ask several key questions before embarking on a relationship with a giving circle.

- What are our motivations for hosting a giving circle?
- What sorts of benefits and challenges can we expect?
- How can we begin the relationship on the right foot?
- What are the nuts and bolts of hosting a giving circle?
- How intensive will our relationship be?
- How will the relationship be sustained?

Fortunately, organizations that have already experimented with strategies for hosting giving circles provide excellent models. This report integrates data, stories, lessons learned, and practical advice from these collaborative ventures to help you explore the many ways that hosts and giving circles can develop successful, sustainable, and meaningful relationships¹.

CURRENT RESEARCH IN CONTEXT

In 2005, the Forum released its first exploratory study of giving circles in the United States. This second round of research comprises three components that we will release as three separate reports.

- In the **first report**, *More Giving Together: The Growth and Impact of Giving Circles and Shared Giving*, published in 2007, we described the broad reach of giving circles and updated basic information about their characteristics, operations, and impact. We also paid special attention to giving circles that have existed more than five years.
- In this **second report**, we focus on the relationships between giving circles and their host organizations, with emphasis on promising practices that support these relationships. Also see the accompanying tool kit for host organizations.
- The **third report** will explore the effect participating in a giving circle has on an individual's approach to philanthropy and civic engagement.

We designed this second report to meet three primary goals:

- 1 Understand and describe the different types of hosting relationships:** By understanding the range of interaction between giving circles and their hosts, we will support groups that currently host giving circles, and encourage additional groups to host giving circles by making them aware of the range of options available.
- 2 Help organizations successfully host giving circles:** Many giving circles begin small. As they grow, many affiliate with nonprofits, foundations, and other philanthropic groups in search of a home for their funds, tax deductions for their donors, and other services they cannot provide on their own. We hope this report—and the accompanying tool kit—supports and motivates organizations to host giving circles.

- 3 Encourage the formation of more giving circles:** In contrast to traditional philanthropy, which many people see as the exclusive realm of the wealthy, giving circles are seen as flexible and accessible. Circles often consist of the very people alienated from more established philanthropic vehicles: women, people of color, young people, and those with limited disposable income. Better hosts will make for more and better giving circles.

WHAT DO WE MEAN BY GIVING CIRCLE AND HOST?

When this report speaks of a **giving circle**, we mean a group of individuals who come together, pool charitable donations from all their members, and make collective decisions about where to grant their money. Giving circles are increasingly common across the United States; a recent study by the Forum of Regional Associations of Grantmakers² identified more than 400 of them. Most of these groups have grassroots origins and spring from the passions and energies of citizens unconnected to philanthropy. Giving circles fill a distinctive niche between individual giving and organized philanthropy. They tap into donors' personal interests and desire for engagement while allowing them to leverage their dollars to make a significant difference in their communities.

Giving circles take various shapes but share the following characteristics³:

- Donors pool their money (and sometimes other resources, such as volunteer time and talents).
- Donors decide together where to grant the money and fund across multiple organizations or projects⁴.
- Donors learn together about community issues, philanthropy, and themselves as donors.

Although giving circles often originate as grassroots groups, many affiliate with the nonprofit and philanthropic sector as they seek a home for their funds, tax deductions for their donors' gifts, and other services they cannot readily provide for themselves.

For the purposes of this report, a **host organization** accepts, holds, and disburses funds for a giving circle. But most do more than that. They provide services that range from publicizing the giving circle to developing educational opportunities to helping the giving circle identify and select grantee organizations. Some organizations also choose to start giving circles that can engage specific donors or address important issues.

¹ This report builds on previous work about giving circles and hosts, including *Growing Philanthropy through Giving Circles: Lessons Learned from Start-up to Grantmaking* by Tracey Rutnik and Buffy Beaudoin-Schwartz, Baltimore: Association of Baltimore Area Grantmakers, 2003.

² Jessica E. Bearman, "More Giving Together: The Growth and Impact of Giving Circles and Shared Giving" Washington, DC: Forum of Regional Associations of Grantmakers, 2007.

³ For more information about giving circles, see the Forum's report, "More Giving Together: The Growth and Impact of Giving Circles and Shared Giving" at www.givingforum.org/givingcircles.

⁴ Unlike donor circles, in which donors pool their money for the benefit of one organization, giving circles make grants beyond their hosts. An exception is university-hosted giving circles, through which grants are made within the university. However, donors still review proposals from across the campus and decide where to invest their resources.

Most host organizations are 501(c)(3) nonprofits that have the capacity to accept tax-deductible donations. Any organization with this status can serve as a host, although some organizations (such as community and other public foundations) have missions and operating procedures that are naturally more compatible with giving circles. There are many ways to serve as an effective host organization.

WHO WILL FIND THIS REPORT MOST USEFUL?

Prospective host organizations: If your organization has been thinking about hosting a giving circle or is trying to decide whether supporting giving circles makes sense, this report will provide an overview of the benefits and challenges. Understanding the different forms of hosting relationships and the varying levels of intensity may stimulate you to think about what kind of hosting model will work best for you. We hope this report helps you structure the relationship in a way that avoids some of the challenges and dilemmas that have troubled other giving circle/host relationships.

Giving circles looking for a host: If you are seeking a host, you may find this report to be a useful primer on how giving circles and their host organizations work together. The information can help you to approach a host organization with a better sense of what you will want from it and to structure a mutually beneficial relationship.

Current host organizations: If you already serve as a host to a giving circle, this report may give interesting context to your relationship as well as practical suggestions for strengthening and clarifying it. The examples may be relevant even if you are already an experienced host.

Currently hosted giving circles: If your giving circle already has a relationship with a host organization, you may find that this report gives insight into the motivations that inspired your host to support or initiate your giving circle. It may also clarify the benefits and challenges that hosts experience and help you create a more fluid and mutually beneficial working relationship.

METHODOLOGY NOTES

The data and information for this exploratory report were gathered via survey and interviews. An online survey was sent to 171 hosting organizations identified through earlier giving circle surveys, including the Forum's 2006 survey of giving circles⁵. From this sample, 39 distinct host organizations completed the survey. Interviews were conducted with 10 representatives from host organizations, who provided a range of perspectives and insight into the benefits and challenges of supporting giving circles.

A PROFILE OF HOSTING RELATIONSHIPS SURVEYED

- More than 400 giving circles have been identified in the United States. According to a study of 160 giving circles released in 2007, most (68 percent) had a host organization that provided at least a basic level of service and often much more⁶. According to this study, community foundations made up just over half (52 percent) of giving circle hosts. Other hosting organizations included public foundations such as the Washington Area Women's Foundation; associations of grantmakers, including regional associations of grantmakers and affinity groups of grantmakers; nonprofit organizations; hospitals; universities; and schools.

Why Is the Forum Interested in Giving Circles? Part of the mission of the Forum of Regional Associations of Grantmakers is to understand and promote philanthropic giving, particularly among people who have not, traditionally, been part of mainstream organized philanthropy. Through its New Ventures in Philanthropy initiative, the Forum has focused on racial, ethnic, and tribal donors; women; people in rural communities; and younger donors. In New Ventures' first five years, the Forum funded experimental efforts to grow philanthropy. Many of these efforts signaled that giving circles were effective for engaging new donors.

Over time, we saw that giving circles appealed to people who might never have considered themselves philanthropists in the traditional sense. These people include women, especially, but also next-generation donors and donors from diverse racial and ethnic communities. Shared giving is not new to many of these donors; in fact, for many communities, giving together is the norm. As a result, giving circles resonate strongly and provide a powerful way to build community.

New Ventures' mission has now shifted from funding experimentation to providing tools, resources, and knowledge to help more people become more philanthropic. We hope that by highlighting giving circles in the media and providing knowledge and resources to help them start and sustain themselves, the Forum can encourage many more giving circles to form in many more communities.

⁵ Bearman

⁶ Bearman

Hosting a Giving Circle

Nonprofit organizations can host giving circles that share their mission. The Women’s Resource Center, a nonprofit organization in Michigan that provides services to women who are victims of domestic and sexual violence, hosts the *Three Generations of Women* giving circle. *Three Generations* gives grants to community organizations to promote the economic self-sufficiency of women and girls. In addition, half of the giving circle’s grants go to Helen’s House, the Resource Center’s emergency shelter program.

For more information on nonprofit hosting models, visit the Forum’s Giving Circles Knowledge Center at www.givingforum.org/givingcircles

- A total of 39 host organizations completed the Forum’s survey about their relationship with the giving circles that they host. Community foundations made up just over half (54 percent) of survey respondents, which also included public foundations (13 percent), associations of grantmakers (5 percent), universities (8 percent), nonprofit organizations (8 percent), a private school, and a hospital.
 - The hosts responding to our survey supported between one and six giving circles. Most (62 percent) hosted only one giving circle.
 - For the most part, the host organizations surveyed for this report started their work with giving circles fairly recently. Indeed, 77 percent began to host circles in or after 2001.
 - More than half of the hosts surveyed indicated spending fewer than five hours per week administering their giving circles. However, within the sample, we also had hosts that spent up to and more than 40 hours each week on circle administration during busy times.
 - Host organizations claimed that they derive many benefits from their relationships with giving circles, including increased visibility, access to new donors, and greater and more diverse grantmaking. Notably, the 39 hosts surveyed for this report also reported that giving circles have sparked the creation of more than 85 donor-advised funds.
- A giving circle may seek a host organization to get:**
- *Fiscal agency and 501(c)(3) status:* A giving circle is a vehicle for pooling donations and giving money to improve community life, whether locally, regionally, or even internationally. Giving circle donors could keep pooled donations in a bank account or, for that matter, in a mattress. But most donors want their charitable gifts to be both tax deductible and managed wisely by an organization with a similar mission. Host organizations provide giving circles with fiscal agency. The host is a safe, tax-deductible steward of the giving circle’s pooled funds.
 - *Grant disbursement:* To give away money, giving circles need to provide checks to the organizations they decide to fund. Host organizations—particularly community foundations, other public foundations, and private foundations—are in the business of grantmaking and can cut additional checks for the giving circle fairly easily.
 - *Knowledge about the community and philanthropy:* Some giving circles intentionally join hosts that can give them insight into community needs and issues, advice as to which organizations to fund, and guidance about philanthropy in general. Some hosts, such as the Triangle Community Foundation in North Carolina, also conduct due diligence on the giving circle’s prospective grantees to ensure that the organizations are effective and well managed.
 - *Credibility:* A host that is well respected in the community can help to establish a giving circle as a legitimate entity.
 - *Compatibility of mission:* Some giving circles choose hosts in part because they believe they can promote their mission more effectively through a relationship with an established organization that has a similar vision.

PART 1: High Hopes

Key Question for Hosts: What Are Our Motivations for Hosting a Giving Circle?

Giving circles and host organizations have different reasons for coming together. Understanding both sets of hopes and motivations can lay the groundwork for a successful relationship.

Giving circles are surprisingly effective in engaging current donors, according to Martha Taylor, vice president of the University of Wisconsin Foundation. The *Women’s Philanthropy Council Award Fund* began when its members—women who each give \$25,000 or more to the university in the areas of their own interests—heard a presentation about giving circles at the Women’s Philanthropy Institute conference. They agreed to give an additional \$1,000 each to an annual fund and use the pooled dollars to advance women faculty and students. **“Yes, it takes time for staff,” Taylor said, “but it is worth it. The women have a project in common that unites them. For women, this personal involvement is especially important.”**

- *Staff support:* Sometimes giving circles affiliate with host organizations specifically because they need additional administrative support or expertise that the host can provide.

A host organization may seek relationships with giving circles—or even create giving circles of their own—to get:

- *Increased visibility in the community:* Many people do not understand the philanthropic and nonprofit sectors. Hosting a giving circle allows a community foundation or other organization to reach beyond its traditional donors and increase community understanding of its work. Some 92 percent of hosts said that increasing visibility (and media coverage) was a significant motivator when they started their giving circle(s).
- *New and different donors:* Organizations host and initiate giving circles because they want to go beyond the “usual suspects” to reach new potential supporters, including younger

donors; women; donors from racial, ethnic, and tribal communities; and donors of moderate means. Indeed, 85 percent of hosts surveyed called this a significant, very significant, or most significant factor. The prospect of reaching women compelled 66 percent of hosts to work with giving circles, reaching younger donors interested 66 percent, and reaching donors with more moderate incomes motivated 47 percent.

- *More or different services for existing donors:* For some hosts—82 percent of those surveyed—a giving circle was a chance to offer extra services and learning opportunities to current donors who wanted more engagement in grantmaking. A giving circle might also be created by a host organization at the request of a board member or an influential donor.
- *A chance to develop community leaders:* The opportunity to encourage community leaders inspired 68 percent of hosts to create or support a giving circle.

WHAT MOTIVATES HOSTS



Hosting a Giving Circle

- *The ability to build a grantmaking program:* Half of the hosts claimed that building their grantmaking program was a significant motive. Some hosts decide to support giving circles that focus on areas that interest the organization. Patty Murar, the now-retired community relations manager for the Women's Foundation of California, described the creation of the *Los Angeles Donor's Circle* as a strategic decision to build a foundation funding area: "The Women's Foundation in Los Angeles approached the founder-donor, a businesswoman and entrepreneur, and asked her to start a donor circle that focused on supporting girls' economic self-sufficiency and financial literacy in order to augment our grantmaking in the area of economic justice."
- *A larger endowment:* Some 34 percent of hosts said that building their organization's endowment was a significant impetus for hosting a giving circle.
- *The desire to promote a culture of giving:* This reason, while seemingly esoteric, can serve as the foundation of an organization's decision to host a giving circle. Promoting a general ethic of giving is central to the missions of organizations such as

community or other public foundations, private foundations, and associations of grantmakers. Hosting a giving circle is a concrete way to advance this mission. "The more the merrier!" said Deborah Fugenschuh, president of the Donor's Forum of Wisconsin, which hosts two giving circles. "If we are a philanthropic resource, everyone needs to know us!"

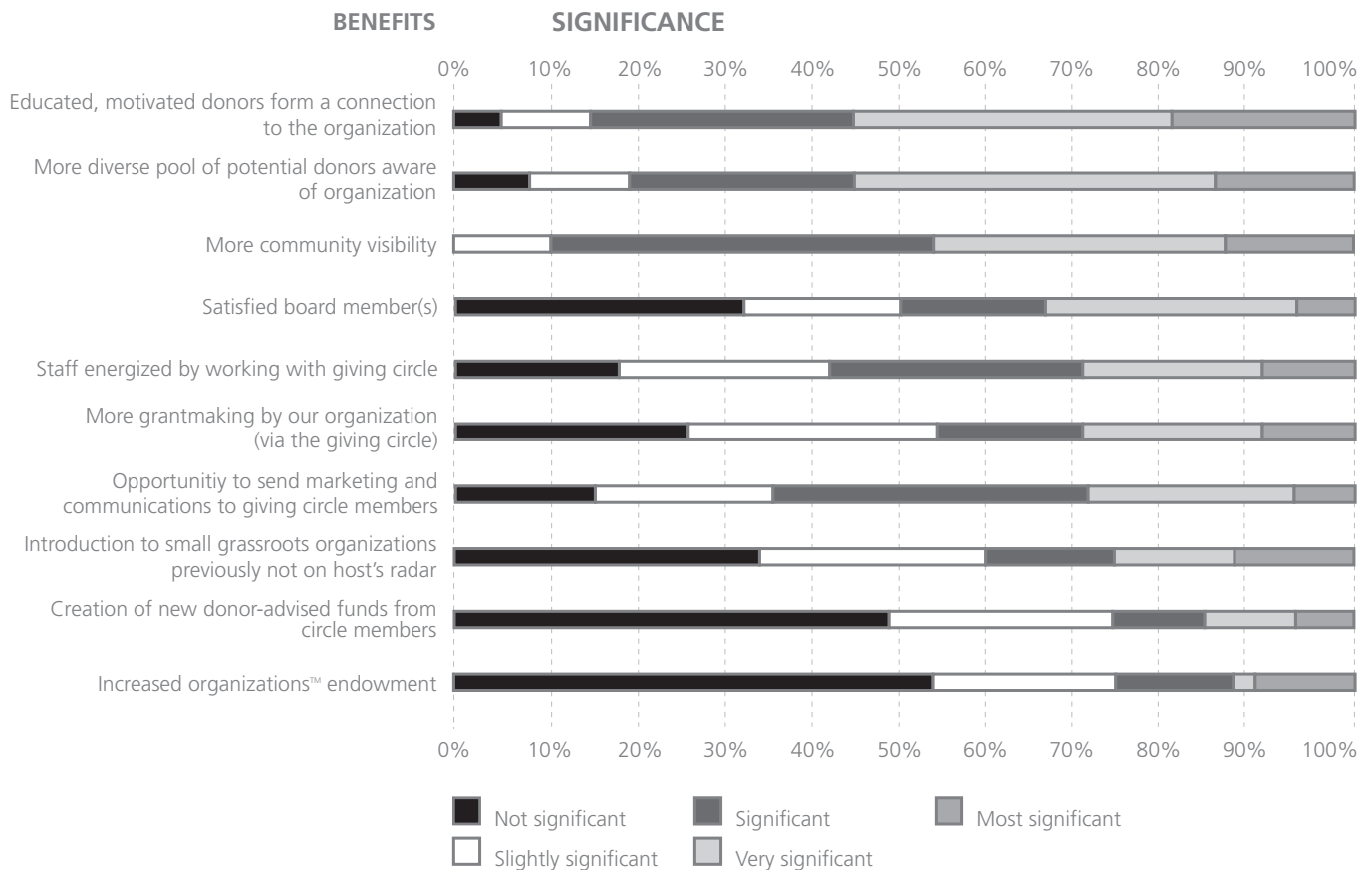
PART 2: Beyond Expectations

Key Question for Hosts: What Kinds of Benefits and Challenges Can We Expect?

LIKELY BENEFITS

Supporting a giving circle brings important advantages to an organization, although they are not necessarily the ones you might expect. It is not, for example, easy or quick to grow an organization's endowment or attract more donor-advised funds, although about a quarter of respondents indicated that these were eventual outcomes. Hosts were happiest with their giving circle relationships when they considered the work to be a long-term investment in community visibility and donor engagement.

BENEFITS TO THE HOST



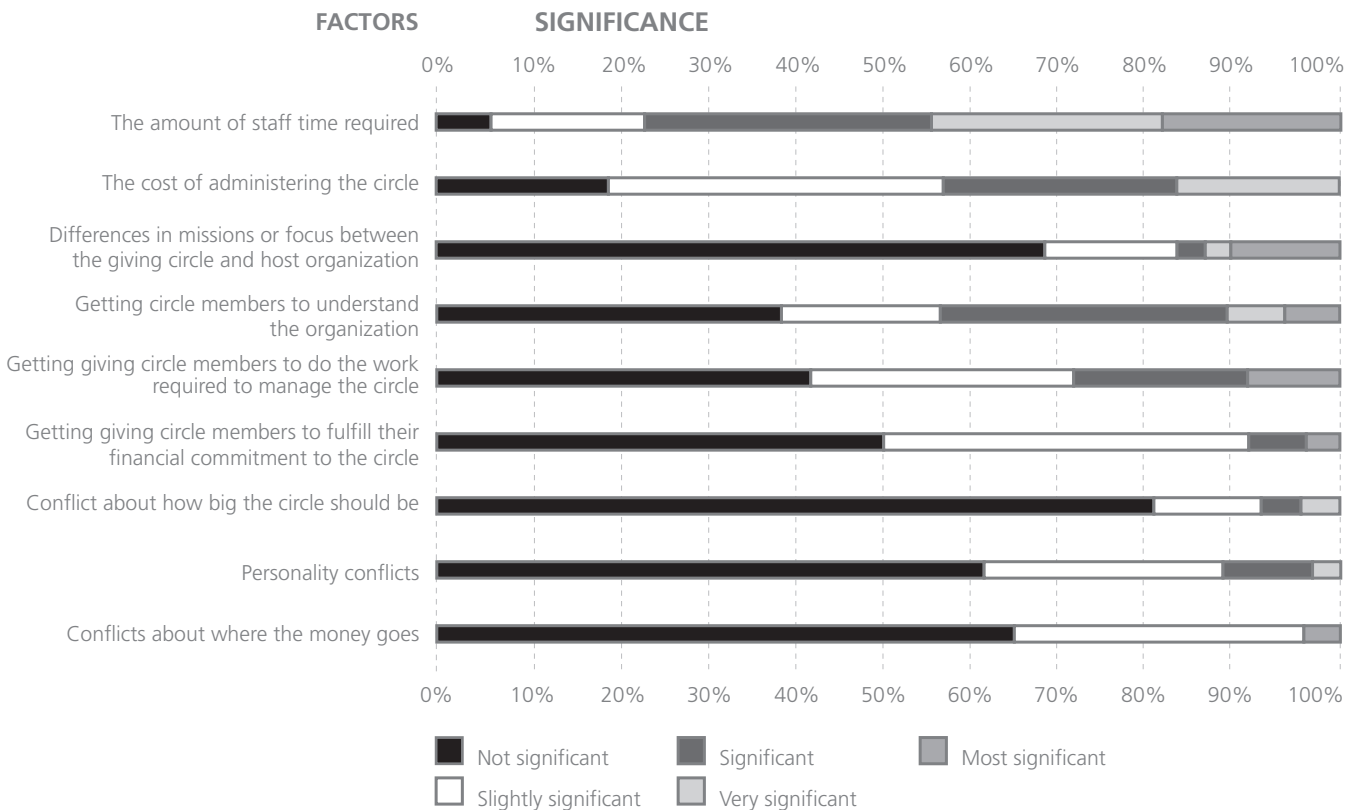
Giving circles can bring the movers and shakers of a community in contact with your organization, said Laurel Domanski Diaz, former director of development for International Partners in Mission, a nonprofit organization that hosts the *Cleveland Colectivo*. Domanski Diaz straddled the giving circle/host divide as a founding member of the *Colectivo*. The benefits of the circle outweigh the costs, in her estimation: **“Even if the giving circle isn’t going to benefit your organization directly, it’s a great avenue for people to become aware of what you are doing.”**

Here are some of the benefits cited by the host organizations in our survey.

- **Increased community visibility and media presence:** A full 90 percent of hosts identified increased visibility in the community as a significant benefit.
- **Connected donors:** Gaining educated and motivated donors with a connection to the organization was a significant benefit for 85 percent of hosts. These engaged donors can become wonderful allies. “As we look for future board members and women who will get more involved in our community foundation, these women are it!” said Susan Russo, who directs *Women for Women*, a giving circle fund at the Community Foundation of Western North Carolina.
- **A more diverse pool of donors:** Four out of five hosts (81 percent) noted that the giving circle increased the diversity of donors who were aware of their work.
- **More donors:** It can take years to develop a prospect list equivalent to a giving circle, which includes many terrific new donors interested in both philanthropy and relevant issues. Accordingly, 64 percent of host organizations said that the chance to send marketing and communication materials to giving circle members was a big plus.
- **The energy that giving circle members bring to staff:** This was cited as a significant benefit by 58 percent of hosts. “It has been very inspiring,” said Kate Neilson, president of the Community Foundation of Greater Birmingham, which hosts

“We are proud to be part of this historic movement,” said Michelle Tong, donor relations director at the Asian American Federation and a member of the *AsiaNextGen* giving circle. **“It’s part of our mission to help grow philanthropy and volunteerism within our Asian community, and so reaching out to the next generation was a natural next step. We’d love to see more circles develop.”**

CHALLENGES TO THE HOST



the *Birmingham Change Fund*, a group of young African American donors. “Every time they meet here, it’s like Christmas. It’s so wonderful to see these young people take this so seriously and enjoy it.”

- **More grantmaking:** More than half (57 percent) of hosts appreciate the fact that the giving circle’s grants add to the total funds awarded to community organizations under the host’s auspices.

Less significant but still worth noting: Half (50 percent) of the hosts felt that the giving circle satisfied a board member’s desire to work with such a group; 40 percent appreciated that the giving circle introduced the organization to grassroots nonprofit organizations that were not on the host’s radar; and approximately a quarter of hosts mentioned that increasing their endowment and the number of donor-advised funds were significant benefits (26 percent and 25 percent, respectively). Indeed, the 39 host organizations surveyed claimed that approximately 85 donor-advised funds had been created as a result of the giving circles they host—funds that were developed in a relatively short time.

POSSIBLE CHALLENGES

Giving circles—like any partnership or program—are not without their complications.

- **Staff time required:** More than three-quarters of hosts (77 percent) responded that the time required to manage a giving circle posed a challenge. According to one survey respondent: “While [giving circles] are invaluable tools for outreach and introducing new and prospective donors to the organization, they are an incredible amount of work. Going forward...we will be looking at ways to streamline and reduce the amount of collective staff time spent on them.”
- **The cost of doing business:** Administrative costs were also seen as a drawback, with 43 percent of hosts naming these as a challenge. An analysis conducted by the Community Foundation of Western North Carolina on its *Women for Women* giving circle concluded that the circle’s administrative expense is equal to the cost of 1.2 full time employees—a cost that is not covered by the fee structure.
- **Communicating organizational priorities:** It is challenging to get giving circle donors to understand the host organization, its mission, and its work, according to 43 percent of survey respondents.
- **Sharing the workload:** A major challenge for 29 percent of hosts was getting giving circle members to do the work required to manage the circle. According to one survey respondent, the biggest challenge is addressing the tension that exists between donors’ desire for engagement and connection and

the limited time they have to give. Like any endeavor involving volunteers, giving circles can bump up against the real-world time constraints of their participants.

Hosts responding to this survey did not encounter difficulty around other issues that we suspected might be challenging. Only a small percentage of hosts (16 percent) found that they are challenged by differences in mission or focus between the giving circle and the host organization. They did not seem to have conflicts about where the money was granted, how big the circle should be, and prompt payment of financial commitments. Further, they reported that personality conflicts were rarely an issue.

PART 3: The Genesis

Key Question for Hosts: How Can We Start the Relationship on the Right Foot?

The host/giving circle relationship depends on the host’s resources and interests and the giving circle’s needs. Often, the tone of the relationship is influenced by the way in which the giving circle and host organization first come together. Giving circles may be created by community members who then seek a host organization, or they can be developed collaboratively by community members and host organization staff, or they are sometimes catalyzed by the host organization. Each type of relationship genesis has different implications for the evolution of the giving circle and host.

- 1 **Community-generated:** Giving circles are often founded by highly motivated community members who have already formed the group—or at least its guiding principles and operational design. These circles approach a prospective host organization because they are looking for a fiscal agent that can hold and disburse their pooled funds. These circles are largely volunteer-managed but may also seek some administrative support from a host.

Giving circles may approach a number of prospective hosts to find a good fit. They may also switch from one host to another to find the perfect relationship. The giving circle called *The Next Generation of African American Philanthropists* initially selected a national foundation as its host. Later circle leaders decided that a local host would meet its needs more effectively and switched to the Triangle Community Foundation, which operates in the giving circle’s region of Raleigh-Durham, North Carolina.

Because community-generated giving circles evolve from the passion and energy of community members, they tend to need less support from their host organization. They may also be less amenable to the host organization’s input and involvement, including expertise and donor outreach.

- 2 *Co-created*: Giving circles can be created jointly by a community member (or members) and an organization. Co-created giving circles can be a wonderful hybrid that marries the enthusiasm of community members with the practical support of a host organization. Since both parties are present at the circle's conception, both sets of priorities can be addressed simultaneously.

Anne Arundel Women Giving Together in Annapolis, Maryland, was formed when community member Sharon Stewart approached the Community Foundation of Anne Arundel County with her idea for a giving circle. Together, Stewart and the community foundation's executive director crafted the basics of the giving circle, recruited a steering committee, and facilitated the development of the operational details. The relationship has enhanced both the giving circle and the small community foundation by providing structure and credibility for the giving circle and visibility and increased grantmaking for the community foundation. In just 18 months, the giving circle grew to 90 members.

Host organizations have found that working with community members to develop a giving circle is a rewarding yet time-intensive task—very much like forming a new organization. If host organizations want the giving circle to be volunteer-driven, they must devote ample time to attending and facilitating meetings that will allow community members to truly “own” the circle.

- 3 *Host-generated*: Increasingly, host organizations—particularly community foundations—are creating giving circles to reach out to specific donors, meet a need in the community, or enhance the range of services that they can offer to donors.

Although the idea for the giving circle may come from the host organization the host rarely succeeds in creating a sustainable circle without a strong volunteer champion. The *Women for Women* giving circle at the Community Foundation of Western North Carolina arose from a strategic planning effort. Board members saw a women's giving circle as an ideal strategy to meet their goal of promoting giving among high-net-worth women throughout the foundation's 18-county region. The board then charged the staff with making it happen. Fortunately, the board chair strongly supported the idea and spearheaded a campaign to attract additional donors. With her leadership and the support of 12 additional founding members, *Women for Women* has grown to include 300 women, most of whom did not have a prior relationship to the community foundation.

Host-generated giving circles present particular opportunities and challenges. The volunteer champions are brought into the

conversation after the idea of the giving circle has already germinated. Because the volunteers' enthusiasm and ongoing support are critical, hosts must seek ways to engage them meaningfully in the circle's creation. Furthermore, unless the organization is fully committed to managing all logistical aspects of the circle's operations (as is often the case with host-generated circles), the host must develop a volunteer structure for the giving circle that allows members to take leadership roles.

PART 4: Day to Day

Key Question for Hosts: What Are the Nuts and Bolts of Hosting?

When an organization decides to serve as a fiscal sponsor or host to a giving circle—or to create one from scratch—it faces choices that will determine how much work the circle will be and how much benefit the host will ultimately derive. Whether hosting a giving circle is a business relationship or a labor of love, several elements need to be considered to ensure success. The host organizations in our survey emphasized the need to think through all aspects of the relationship in advance to prevent confusion and misunderstanding later.

Host organizations cite one particular question that should be asked early and often: *Who is responsible for what?* Duties vary depending on the complexity of the giving circle, but common responsibilities fall into the following categories.

Financial services: All giving circle hosts serve as fiscal agents to their giving circles. This is a baseline level of service. The host's financial responsibility includes providing 501(c)(3) nonprofit status, which is essential to any giving circle that wishes to provide its donors with a tax deduction for their monetary gifts. Host organizations provide this service by accepting donations to the giving circle under their own auspices, using their own tax ID number, and providing official thank-you letters to donors. Specific services that hosts usually provide include investing and managing funds, managing administrative dollars, and providing giving circles with regular reports about their pooled fund's status.

When the giving circle is sponsored by an existing philanthropic institution, such as a community foundation or other public foundation, the pooled money is generally kept in a donor-advised fund—a component fund of the public charity in which the donor (or in this case, the giving circle) decides how the money is granted⁷. The host organization reviews and approves all grants decisions to ensure that the decisions are within the scope of the host's mission.

⁷ Beaudoin-Schwartz, B., & Rutnik, T.

Hosting a Giving Circle

Grant administration: Beyond managing the pooled donations, the basic function of a host organization is to disburse checks once the giving circle has selected its grantees. In our study, 95 percent of hosts provided this service. Hosts may also manage the grantee relationship, help conduct evaluation (if any) after grants have been made, and be responsible for informing denied applicants on behalf of the circle. As the fiscal agent, the host is ultimately responsible for the giving circle's grants and has a legal responsibility to stay abreast of where the money is given.

Administrative support: Hosts provide day-to-day services for giving circles. Some develop and maintain a working database to track membership and contributions. They may also participate in or even facilitate giving circle meetings, provide a place to meet, donate intranet support, or give the circle office space. General correspondence with giving circle members, such as e-mails about upcoming meetings or educational opportunities, can be undertaken by host staff, giving circle volunteers, or a combination of the two.

Membership recruitment: For the most part, giving circles recruit their own members, as donors themselves are in the best position to attract friends and acquaintances to the group. But most hosts help recruit donors and send interested donors to the giving circle's attention.

Donor relations: Most hosts want to develop relationships with giving circle donors who might be interested in advancing the organization's work beyond the giving circle. The hosts form these relationships by providing educational opportunities, having staff take part in meetings, and making sure that giving circle donors receive all organizational correspondence. Some hosts want to understand how donors are affected by participation in the giving circle and so develop informal and formal ways of assessing the circle's impact.

Education: Learning is an important part of the giving circle experience. Some hosts provide formal educational activities for

HOST AND GIVING CIRCLE RESPONSIBILITIES⁸

	Host Responsibility	Shared Responsibility	Giving Circle Responsibility	N/A
Cuts checks once grant decisions are made	95%	3%	0%	3%
Holds and/or invests grantmaking money	87%	5%	3%	5%
Holds circle's administrative money	84%	0%	3%	13%
Develops/manages database of giving circle members	74%	13%	13%	0%
Provides space for storage and/or work	67%	10%	10%	13%
Assists with legal aspects of circle's operations	64%	3%	21%	13%
Produces giving circle materials, including Web site, brochures, etc.	61%	18%	16%	5%
Promotes circle through organization's materials	49%	36%	10%	5%
Documents circle activity	49%	28%	21%	3%
Provides location for meetings	44%	26%	31%	0%
Evaluates progress of grantees	39%	18%	39%	3%
Develops requests for proposals	36%	21%	36%	8%
Provides educational opportunities (speakers, etc.)	36%	33%	23%	8%
Approves grants	31%	28%	41%	0%
Evaluates impact of giving circle on the circle's donors	31%	15%	33%	21%
Suggests organizations to fund	26%	26%	46%	3%
Convenes and/or runs circle meetings	18%	36%	46%	0%
Contributes money directly to giving circle funds (e.g., matching funds)	13%	11%	34%	42%
Recruits giving circle members	10%	33%	56%	0%

⁸ Beaudoin-Schwartz & Rutnik

giving circle members, including workshops and speakers. Others help members learn experientially by coordinating site visits, facilitating dialogue about grantmaking priorities, and coaching them as they evaluate the impact of their grants. This study found that 36 percent of hosts provided education for giving circles, and 33 percent shared responsibility for learning activities.

Marketing and communications: Hosts can boost giving circles by promoting them in their marketing materials and including them in their media strategies. These tasks are easy for hosts that start a giving circle because there is only one identity to consider. “Them is us and us is them,” quipped Elaine Maly, executive director of the Women’s Fund of Greater Milwaukee. Any publicity for its three giving circles is also publicity for the Women’s Fund. For hosts whose giving circles came to them partially or fully formed, there may be more negotiation involved in the circle’s branding. The giving circle may have an established look and identity, including its own Web site and materials. Hosts and giving circles may want to reach an agreement in writing about if and how each will reference and promote the other.

PART 5: Getting Formal: Staffing, Fees, and Memoranda of Understanding

Key Question for Hosts: How Can We Sustain This Relationship?

Staffing a Giving Circle: In their 2003 case study of two giving circles and their host organizations, Beaudoin-Schwartz and Rutnik cautioned that giving circles must be essentially self-sufficient. They wrote: “Successful, sustainable circles require significant volunteer leadership and mutually beneficial and reinforcing relationships with the right host. In particular, our research suggests that giving circles should be capable of operating almost autonomously....”⁹

This sound advice still stands. Nevertheless, we looked at giving circles and hosts along a broad continuum of relationship intensity and concluded that as long as expectations and communication are very clear, giving circles and hosts can derive mutual benefit from relationships that run the gamut from nearly autonomous to completely intertwined.

The fact is, it is impossible to host a giving circle without providing some level of staffing, even if the staffing is limited to accepting donations and writing checks. Although more than half of the hosts surveyed indicated they spent less than five hours per week administering their giving circles, we also heard from hosts who

spent more than 40 hours each week on circle administration.

Staffing may be provided by employees in different departments and at different levels of organizational responsibility. Some hosts consider a giving circle to be primarily a donor-development tool and delegate its management to the development or donor relations staff. Others see the giving circle as part of the grantmaking program and have the program staff manage it.

To further illustrate the range of reporting relationships and time commitments, here are three responses to our survey:

- “The giving circle is administered by the Development Associate. It requires about 10 percent of her time, and more during a grant round (20 percent) or a special event (20 percent).”
- “The Donor Relations Director devotes 40 percent of her time to administering the program, assisted by part-time help from a program officer and a development officer.”
- “The Executive Director provides all staffing services to the circle and also coordinates significant volunteer contributions from giving circle and board members.”

There is another staffing option, though it’s a less common one: A giving circle can hire its own staff. The *Women’s Giving Circle of Howard County* hired a part-time administrator who has office space at the host organization, the Columbia Foundation.

The Cost of Service: Hosts need to pay for staff time and direct expenses associated with the giving circle. Direct expenses may include everything from Web page design to letterhead to food for meetings. Host organizations have different ways of covering the giving circle’s costs:

- *Donating from the organization’s budget:* Most of the hosts surveyed (72 percent) donated at least some services from their organizations’ budgets.
- *Fee for service:* More than a quarter (28 percent) charged a fee based on a percentage of the circle’s assets—usually one to two percent of assets. Another 23 percent charged a flat fee, such as \$100 per donor per year.
- *Special gifts from circle members:* Giving circle members sometimes contribute additional money toward the cost of administration, as was the case for approximately 18 percent of the hosts who responded to our survey.
- *Special gifts from other sources:* In about 15 percent of relationships, the giving circle (and/or host organization) received

⁹ Beaudoin-Schwartz & Rutnik

Hosting a Giving Circle

THREE LEVELS OF INTENSITY IN GIVING CIRCLE/HOST RELATIONSHIPS

	Low Intensity	Medium Intensity	High Intensity
Staff time required	Average of one to five hours per week	Average of five to 10 hours per week	More than 10 hours per week
Circle origins	Giving circle almost always begins in the community with strong volunteer leadership	Circle may be started by host organization, co-created, or community-driven	Usually co-created or host-created; very rarely community-created
Circle managed by...	Volunteers—with liaison to host organization staff	Staff and giving circle volunteers	Staff—who manage most aspects of the giving circle and coordinate volunteer activity
Usual services provided by host	<ul style="list-style-type: none"> ■ Holds and invests grantmaking money ■ Cuts checks ■ Holds administrative money ■ Promotes circle as part of organizational materials ■ May manage database of giving circle members ■ May provide educational opportunities in collaboration with giving circle 	<ul style="list-style-type: none"> ■ Holds and invests grantmaking money ■ Cuts checks ■ Holds administrative money ■ Manages database of giving circle members ■ Provides work, meeting, and storage space ■ Promotes circle in organizational materials ■ Produces giving circle materials ■ May provide educational opportunities in collaboration with giving circle ■ May document giving circle activity 	<ul style="list-style-type: none"> ■ Holds and invests grantmaking money ■ Cuts checks ■ Holds administrative money ■ Manages database of giving circle members ■ Provides work, meeting, and storage space ■ Promotes circle in organizational materials ■ Produces giving circle materials ■ Provides educational opportunities in collaboration with giving circle ■ May document giving circle activity ■ May assist in recruiting new members
Considerations and key questions for hosts	<ul style="list-style-type: none"> ■ Is the circle's mission compatible with ours? ■ Are expectations clear about circle/host responsibilities? ■ Is it clear how costs of circle administration will be covered? ■ How will circle and host promote each other on materials, if at all? 	<p><i>All low-intensity questions...plus:</i></p> <ul style="list-style-type: none"> ■ What do we want the giving circle to accomplish for our organization? ■ What do the donors want the circle to accomplish for themselves and the community? 	<p><i>All low- and medium-intensity questions...plus:</i></p> <ul style="list-style-type: none"> ■ How will volunteer champions be meaningfully engaged in the circle's design and operation? ■ How will our organization measure the success of the giving circle in meeting our objectives?

Does Circle Size Matter? Naturally, the size of a giving circle influences the amount of work it requires. More donors mean more checks to process, more names in the database, and more votes to tally.

Of greater significance than size, however, may be whether the circle emphasizes donor engagement or grantmaking. A circle that focuses on donor engagement provides more opportunities for learning and involvement. This intensive, hands-on activity requires planning and effort by host staff and/or giving circle volunteers. On the other hand, a giving circle that is more focused on grantmaking may have a very simple structure in which donors pool their money, attend only a few meetings, and vote to determine funding.

a special grant or donation from an outside organization or individual specifically to pay for administration. Hosts can seek support from local or national foundations to defray initial costs of the giving circle, according to Buffy Beaudoin-Schwartz, communications director at the Association of Baltimore Area Grantmakers, which has helped to launch numerous giving circles.

Memorandum of Understanding: An MOU has many purposes. It ensures that both the host and the giving circle know what they are expected to contribute to the relationship. It describes the fee (or other payment) structure. It protects both the host organization and the giving circle from confusion due to staff or volunteer leadership transitions. In the event of a fiscal crisis in the host organization, it also ensures that the giving circle's money is not used inappropriately to cover operating expenses. A formal document serves as institutional memory, can clarify important elements of the relationship, and can provide a safeguard against misuse of funds.

In total, 43 percent of the hosts surveyed had a formal MOU that described the expectations for the relationship and responsibilities of the host and giving circle. Of course, this means that more than half of the host organizations *did not* have anything in writing to formalize the relationship. Many of the organizations that lacked a written agreement are now in the process of developing one.

PART 6: Continuum of Intensity

The intensity of the giving circle/host relationship is not primarily determined by either the size of the circle or the amount of money given away. Rather, it is a function of how the host organization and giving circle volunteers divide responsibility. Because of the wide variety in giving circles and hosts, it is difficult to delineate discrete types of relationships. Instead, we have developed a continuum of intensity into which most relationships fall. The chart on page 12 describes three points on the continuum—low, medium, and high intensity. Profiles

The Asian American Federation of New York (AAFNY) agreed to incubate the *AsiaNextGen* giving circle for three years without a fee. Now the organization is starting to think about how to help the group become self-sustaining, according to Michelle Tong, *AsiaNextGen* member and AAFNY staff person.

in Appendix A illustrate these relationships.

There are, naturally, exceptions to these categories. Some giving circles—such as the *Community Advisors Network*, hosted by the Community Foundation of Santa Cruz County—involve intense effort by host staff only for a short period each year. During that time, the host organization may provide all of the services listed in the high-intensity category, but over the course of the year, the time commitment may average out to less than an hour per week.

The host organizations in our study were quite positive about supporting giving circles, regardless of intensity level. They asserted that the recipe for a good hosting relationship is fairly simple: mix strong communication, a clear understanding of how the relationship is going to work, and a little trial and error as the relationship develops; then add commitment to the purpose and potential of the giving circle.

PART 7: Promising Practices and Lessons Learned

The following promising practices emerged from host organizations that have experimented with various strategies for successful hosting—and learned important lessons along the way.

- 1 Make decisions about hosting carefully:** As this report demonstrates, working together can be a mutually rewarding endeavor for both a host organization and the giving circle. However, the collaboration must fit with the organization's strategic plan, programmatic priorities, and available resources¹⁰. Host organizations are advised to think carefully about how much work the giving circle requires and how much support the organization can reasonably offer.
- 2 Ensure that the host organization's chief executive and board are committed to the giving circle:** This best practice applies whether an organization is forming a relationship with an established giving circle or creating a giving circle from scratch and planning to manage every aspect of it. Without the full support of organizational leadership, the relationship is tenuous at best. When challenges arise, the organization might decide that the giving circle is simply too much trouble to continue supporting. Losing a relationship with a host is obviously detrimental to a giving circle. But it can have serious repercussions for the host organization, too, particularly if giving circle members are left with a bad impression of the organization.

¹⁰ Beaudoin-Schwartz & Rutnik

3 Be sure that the giving circle has its own spark and anchor—and nurture them: A community-generated giving circle will come with its own spark: the passion of the motivated volunteers who imagined and created it. In a co-created circle, in which volunteers and organization staff join forces to create the giving circle, host staff may need to be conscientious so that they do not unintentionally steer the circle away from what the volunteer(s) envisioned. In a host-generated circle, volunteer champions must have the opportunity to plan, shape, and maintain the circle.

In all three cases, the giving circle must retain or develop its own anchor—a dedicated volunteer core that serves as the circle's locus of control.

4 Formalize the relationship before entering it: Amid the excitement of bringing a new idea to life, it is often hard to take a step back and create “official” documents to codify expectations. This kind of documentation—especially when lawyers are involved—can wring the joy out of the partnership. However, experienced hosts strongly encourage organizations to develop a written memorandum of understanding or another kind of contract with their giving circles. This document should describe the responsibilities of the host organization and the giving circle, any fee structure, and any specific requirements on either side. In addition, it should be explicit about how the relationship will be assessed and, if necessary, modified or terminated.

5 Prepare to revisit agreements as time goes on: Both host organizations and giving circles are dynamic entities. Good relationships include built-in opportunities to revisit and update the terms of the partnership as both parties grow and change. If the host organization undergoes leadership or mission changes, it is important to be fully transparent about the impact of these changes on the host and the giving circle.

6 Think carefully about costs: A host organization may decide to cover the giving circle's administrative costs from its operating budget if the circle helps to address important organizational goals. Alternatively, a host may decide from the onset that it needs to charge an administrative fee. Regardless, costs can add up. Successful host/giving circle relationships feature a built-in way to monitor and analyze costs, as well as a scheduled opportunity to re-contract as the relationship develops.

7 Be clear about staff responsibilities: The amount of staff involvement may vary quite dramatically. Regardless of where those boundaries are drawn, they must be explicit. According to the host organizations we interviewed, staff members need to be clear about the responsibilities on both sides so they do not duplicate efforts.

8 Focus the circle: A giving circle cannot be all things to all people. Host organizations in our study recommended that the host help the giving circle refine a focus or theme for its grant-making, particularly in host-generated or co-created circles. The focus should be aligned with organizational mission, commensurate with the amount of money the circle can give, and specific enough so that the giving circle members feel their work makes a difference. At the same time, the focus must tap into the donors' passions and the kind of giving they want to do.

9 Build excitement through immediate giving: Some host-generated or co-created giving circles anticipate building an endowment from which the giving circle will make grants. Host organizations have found that when endowment growth is the goal, it is important to spark donors' excitement and commitment by making grants—even small ones—right away.

10 Give it time: It takes a while to develop the positive relationships that form the heart of a giving circle. Trust needs to develop naturally among the giving circle members—who are sharing the very personal act of philanthropy—and between the giving circle and its host organization.

THE ULTIMATE BENEFIT: MORE EMPOWERED DONORS

Organizations that host giving circles enable a special form of shared giving, one that emphasizes learning, collaborative decision-making, and the empowerment of donors. With careful thought and nurturing, giving circle/host relationships can grow into enormously productive and mutually beneficial partnerships that increase community philanthropy.

Additional information, tools, and stories for host organizations and giving circles are available in the Forum of Regional Associations of Grantmakers' Giving Circles Knowledge Center: www.givingforum.org/givingcircles.

The Women's Fund for Greater Milwaukee hosts three giving circles targeted at very specific populations of women: the *African American Women's Fund Project*, *Latinas en Acción*, and the *Lesbian Fund*. For each, it was important to defer to the donors' needs and interests, said Elaine Maly, executive director of the Women's Fund. “Ask them what they want their model to be,” she recommended. “Don't assume that your model is necessarily right for them.”

APPENDIX A: Profiles of Low-, High-, and Medium-Intensity Relationships, Plus Special Models

LOW-INTENSITY RELATIONSHIPS

These are characterized by high volunteer energy and motivation and a very modest investment of time and resources by the host organization.

Low-intensity Relationship 1: International Partners in Mission and Cleveland Colectivo

The Host: International Partners in Mission (IPM) is a Cleveland-based nonprofit organization that works across borders of faith and culture on behalf of children, women, and youth.

The Giving Circle: The *Cleveland Colectivo* was started by a group of individuals, including Laurel Domanski Diaz, the development director at IPM, who wanted to make positive and concrete change in Cleveland. The *Cleveland Colectivo* mission statement is “Clevelanders coming together to strengthen our community through collective investments that identify and nurture innovative projects.” The *Colectivo*’s voting members donate \$400 a year to the pooled fund, and non-voting volunteer members contribute to the group by attending meetings and helping to review applicants. The giving circle gave away more than \$13,000 in 2007.

When the circle started, it looked into keeping its money at another host, but that host’s requirements (a minimum balance of \$10,000 and an annual fee) seemed prohibitive. IPM agreed to host the *Colectivo* because their missions were compatible, although IPM’s work is international.

The Nuts and Bolts: IPM and the *Colectivo* have the same basic agreement that IPM uses with other projects it sponsors. There is no fee charged. IPM donates a small amount of Domanski Diaz’ work time—between one and two hours per week—for *Colectivo*-related services.

Specific Services Provided Include:

- Processing quarterly donations and pledges (which includes entering donations in a database, photocopying and depositing checks, sending thank-you notes, and sending end-of-year receipts).

- Providing monthly reports on finances.
- Handling physical mail from grantees and applicants (e-mail goes directly to the giving circle).
- Disbursing checks and award letters to the grantees.
- Sending *Colectivo* members the IPM newsletter and inviting them to IPM events.

Giving circle volunteers meet monthly to manage all other giving circle administration, including promoting the giving circle, identifying prospective grantees, soliciting applications, making decisions, and creating educational opportunities for members. The *Colectivo* has its own Web site (www.clevelandcolectivo.org) and its own distinctive identity.

Low-intensity Relationship 2: Donors Forum of Wisconsin and the Everyday Philanthropists

The Host: The Donors Forum of Wisconsin is a professional association for grantmaking organizations in Wisconsin. Primarily, the Donors Forum provides educational programs and services to its members, which are private, public, and corporate foundations. However, part of its mission is to promote the growth of philanthropy in Wisconsin, and, as a result, it was open to the notion of hosting giving circles.

The Giving Circle: The *Everyday Philanthropists* arose from Future Milwaukee—a nonprofit organization committed to developing the next generation of leaders for Milwaukee. After the Donors Forum presented about giving circles at a meeting of Future Milwaukee, several people approached the president, Deborah Fugenschuh, and asked whether the Donors Forum would consider hosting a giving circle. The *Everyday Philanthropists* have three central principles. The members are:

- Committed to donating \$1 every day.
- Devoted to being everyday donors in the ordinary or common sense; the required financial commitment is within reach of most people in the community.

- Dedicated to making a difference in the community today, not just in the future.

In 2007, their fourth year, the *Everyday Philanthropists* have started to branch out. They have expanded their Web site to help other giving circles get started. They provide a recipe for creating a giving circle and invite groups of three to 10 people to get together and become an Everyday Philanthropist chapter.

The Nuts and Bolts: The Donors Forum's relationship with the *Everyday Philanthropists* is "about a three on an intensity scale of one to 10," according to Fugenschuh. When the group began, the Donors Forum provided some educational workshops and brought tips and tools to the giving circle. Now that the circle is well established, the Donors Forum takes a much less active role. Currently, there is no fee, but the Donors Forum may implement a modest fee for service.

Specific services include:

- Donation processing,
- Check disbursement, and
- Quarterly financial reports.

The members of *Everyday Philanthropists* manage their own application process, site visits, and decision-making. They are also responsible for their own media relations, publicity, and Web site (www.everydayphilanthropists.org).

HIGH-INTENSITY RELATIONSHIPS

These usually involve either large or complex giving circles that give away larger amounts of money.

High-intensity Relationship 1: The Liberty Hill Foundation and the Queer Youth Fund

The Host: The Liberty Hill Foundation is a 30-year-old Los Angeles-based public foundation that partners with innovative and effective area grassroots organizations to combat poverty and injustice. Liberty Hill has 24 full-time staff and makes grants of approximately \$3.6 million per year. The foundation hosts four giving circles: the *Queer Youth Fund*, the *FamilyHelp Fund*, the *Pobladores Fund*, and the *Women of Color Giving Circle Fund*.

The Giving Circle: The *Queer Youth Fund* joined Liberty Hill after an initial relationship with another host organization turned out to be a less-than-ideal fit. The *Queer Youth Fund* is a small giving circle with just three or four donors and an equal number of Community Collaborators. Its mission is to support nonprofit organizations that improve the quality of life for gay, lesbian, bisexual, transgender, queer, and questioning youth. The *Queer Youth Fund* makes three or four grants of \$100,000 each every year in support of its mission. The relationship between Liberty Hill and the *Queer Youth Fund* is unusual: Although the giving circle was donor-initiated, the complexity of its process creates a high-intensity relationship.

The Nuts and Bolts: Liberty Hill administers the *Queer Youth Fund*, whose members live across the country. The responsibilities of Liberty Hill and the Fund Advisors (as the donors to the fund are called) are well documented in a Memorandum of Understanding that is updated each year. Each Fund Advisor contributes \$100,000 per year to the pooled fund, and, as a group, the fund pays an additional \$10,000 in operational and administrative fees for Liberty Hill's services. Fund Advisors pay their own travel and accommodation costs for site visits and meetings. They reimburse Liberty Hill for costs associated with the grantmaking, including mailing and conference calls, as well as honoraria, stipends, and expenses for the Community Collaborators. The Fund Advisors may also give "consolation grants" of \$1,000 each to organizations that host site visits but do not get selected; Liberty Hill bills Fund Advisors additionally for these small grants. Liberty Hill re-assesses its fee each year to ensure that it is covering expenses and staff time.

Time Required: Although the *Queer Youth Fund* was donor-initiated, the relationship with Liberty Hill is extremely intense, requiring between 11 and 20 hours of work during busy times and an estimated average of 300 hours per year.

Grantmaking: The grantmaking process, which is coordinated by Liberty Hill staff, is highly collaborative and involved. Staff members are responsible for finalizing and distributing a request for Letters of Intent (LOI) to potential applicants, recruiting Community Collaborators, collating and distributing completed LOIs and proposals to the Fund Advisors and Community Collaborators, coordinating site visits and in-person meetings, facilitating decision-making, preparing formal grant agreements, administering grants, and monitoring grantees' compliance.

Learning between giving circles and hosts goes both ways, according to Carol Lee, program officer for the Liberty Hill Foundation. "We draw some lessons from them in how we talk about groups and how we evaluate them. We are always looking back at parts of our process...and translating useful strategies from our own grantmaking to the Queer Youth Fund and vice versa."

Specific Services Provided Include:

- Processing donations.
- Disbursing checks to funded organizations.
- Recruiting and selecting Community Collaborators.
- Coordinating the overall grantmaking process.
- Payment of honoraria, stipends, and reimbursements for Community Collaborators.
- Communicating with prospective grantees.
- Compiling LOIs and proposals and distributing them to grantmaking committee members.
- Facilitating multiple conference-call meetings to make decisions and develop relationships among the team members.
- Hosting and facilitating decision-making meetings and receptions.
- Monitoring grantee progress and final reports.

Lessons to Learn:

- **The greater the intensity, the higher the staff time requirements:** A giving circle like this requires significant staff time as relationships develop, processes unfold, and consensus is sought. Sometimes, the same issues resurface year after year, according to Carol Lee, a Liberty Hill program officer. “The Fund Advisors really want—and we really value—a consensus model. So unless we all, including the Community Collaborators, agree on something, the issue just gets carried over to the next year.”
- **Manage the power dynamics:** Maintaining an egalitarian atmosphere can be challenging when large differences of wealth exist, as they do among the Fund Advisors and Community Collaborators. After 2006, it was decided that every grants decision from the fund had to be made by committee consensus. If the Fund Advisors want to chip in additional money to make additional grants, they can do so at their discretion.

High-intensity Model 2: The Community Foundation of Western North Carolina and Women for Women

The Host and Giving Circle: The Community Foundation of Western North Carolina decided to create its giving circle, *Women for Women*, after a strategic planning process directed the organization to increase giving among high-net-worth women. Staff worked with a group of 12 committed donors, including the chair of the foundation’s board, to initially recruit more than 200 members, many of whom did not have a previous relationship with the Community Foundation. The Community Foundation also hosts the Power of the Purse Luncheon, which includes a fundraising auction and attracted 213 women to the giving circle in its first grant cycle.

After two full years of operation, *Women for Women* had more than 300 members, each of whom gives \$1,100 each year for three years: \$1,000 goes into a pooled fund to promote the well-being and self-sufficiency of women, and the additional \$100 goes toward the circle’s administration. The giving circle awarded \$213,000 in its first year and \$270,000 in its second grant cycle. Grants range from \$35,000 to \$100,000 so they can have a strong impact on organizations that assist women and girls in western North Carolina. Additional gifts support the Women’s Fund, which is a permanent endowment created to support the needs of women and girls in the western North Carolina mountains.

The Nuts and Bolts: The Community Foundation supports *Women for Women* in myriad ways, from accepting, holding, and disbursing funds, to hosting and facilitating meetings. It provides an in-kind donation of staff time. It also takes responsibility for promoting the giving circle and producing all related materials. Foundation staff members assist with developing the grant application; coordinate site visits; and serve as liaisons to *Women for Women*’s many committees, including the grants committee, which produces a slate of prospective grantees for consideration by the full membership. *Women for Women* has several other working committees dedicated to supporting its operation, including a steering committee and others for membership, education, and special events. In addition, the Community Foundation provides educational events such as speakers and workshops.

Time Required: *Women for Women* is staffed by the foundation’s donor relations director (who spends about 40 percent of her time on it), with part-time assistance from a program officer and

The Power of the Purse Luncheon celebrates women and women’s philanthropy. The luncheon features local women artists who create and donate their work for The Community Foundation’s permanent endowment to benefit women and girls in western North Carolina. *Women for Women* announces its grant recipients at the luncheon, and more than 500 guests hear success stories from previous grantees.

a development officer. Additional staff support for public relations, administration, and management is provided as needed. In total, the Community Foundation has estimated that coordinating *Women for Women* requires the equivalent of 1.2 full-time employees each year.

Specific Services Provided Include:

- Processing donations.
- Disbursing checks to funded organizations.
- Coordinating the grantmaking process.
- Developing grant applications.
- Processing grant applications.
- Facilitating the grantmaking committee.
- Facilitating site visits.
- Communicating regularly with members through mailings, meetings, and an e-newsletter.
- Evaluating the impact of grants on grantees.
- Evaluating the impact of the giving circle on donors.
- Documenting circle activity.
- Facilitating meetings and educational events.
- Planning and hosting large events, such as the Power of the Purse Luncheon.
- Facilitating new-member orientation.
- Managing committees.
- Marketing and promoting the giving circle in printed materials, online, and with the media.

Lessons to Learn: According to Donor Services Director Susan Russo, one of the biggest lessons from this relationship concerns the need for flexible staff. Every month, staff members involved with *Women for Women* get together to discuss the circle's progress and needs. They have created job descriptions for the committee chairs and staff liaisons to each committee to make sure that staff members provide consistent levels of service to the committees and are protected from taking on too much.

MEDIUM-INTENSITY RELATIONSHIPS

These are harder to define but—as the name implies—fall in the wide gray area between light and intense relationships.

Medium-intensity Relationship 1: The Albuquerque Community Foundation and the Future Fund

The Host: The Albuquerque Community Foundation (ACF) is a 26-year-old community foundation with a \$54-million endowment and a five-person staff. In 1998, ACF launched the *Future Fund*, beginning with 12 young couples who each gave \$400 per year. The ACF board pledged \$15,000 so that the *Future Fund* could make grants while its endowment grew.

The Giving Circle: The *Future Fund* has grown to 150 members in their 20s, 30s, and 40s who are dedicated to a vision of building Albuquerque's future. Because the *Future Fund* was founded as a young-donor group, people are encouraged to "move up" to other foundation programs when they reach their mid- to late-40s. The circle makes grants of approximately \$15,000 per year, and its endowment has grown to \$392,000. Because the giving circle was started by the community foundation, "there are no issues of ownership," according to Nancy Johnson, ACF's program director. The community foundation has benefited from greater visibility to new donors, a few of whom have created their own donor-advised funds. Donors have also become involved in the community foundation in various ways. Indeed, one of the founding members of the circle became ACF's communications director.

The Nuts and Bolts: ACF administers the *Future Fund* with help from circle member volunteers who serve as co-chairs. The community foundation charges its usual endowment fee of 1.5 percent on the *Future Fund's* endowment and requires the *Future Fund's* advisory board members (15 couples) to donate an additional \$200 per couple. Sometimes donors also pay for their lunches or other small expenses.

In fall 2006, the *Future Fund* instituted different levels of giving—including gold and bronze levels—as a way to recognize members who were giving more than the minimum donation.

Time Required: Administering the fund takes five to 10 hours per week during busy periods, and, given the community foundation's

"One of the issues for the Future Fund is that we describe it as being for younger donors to learn about philanthropy... but we now have donors who are over 60," explained Nancy Johnson, program director for the Albuquerque Community Foundation. **"The younger donors don't want to go to a party where everyone is their parents' age, since one of the reasons they joined was for social networking. So we're trying to keep the younger donors...kind of younger. Of course, we're now 10 years old, so some of the younger donors who joined at the beginning are now that much older."**

small staff, time can be tight. “The community foundation only has three full-time staff, so if we take on one of these things, we also have to designate a person to manage it,” explained AFC’s Johnson.

Grantmaking: Future Fund members receive surveys to determine their interests. Grants are made once or twice per year in coordination with the community foundation’s grant cycle. Sometimes the circle sends out an RFP; sometimes it funds applicants to the community foundation’s grantmaking program. Grants decisions are made by a committee that is open to all members.

Specific Services Provided Include:

- Collecting and processing donations.
- Planning, facilitating, and attending meetings, including handling the location.
- Promoting the giving circle through materials.
- Maintaining the membership database.
- Developing requests for proposals.
- Evaluating grantee progress.
- Facilitating events, including a membership party, a luncheon with grantees from the past year, and an annual happy hour.
- Planning speakers or workshops about philanthropy and issue areas.
- Facilitating site visits and meetings with nonprofit staff.

Medium-intensity Relationship 2: University of Wisconsin Foundation and the Women’s Philanthropy Council Giving Circle

The Host and Giving Circle: The Women’s Philanthropy Council is composed of women who have individually pledged \$25,000 or more to areas of their own interest at the University of Wisconsin. The council got its start several years ago when three council women became excited about creating a giving circle after attending a Women’s Philanthropy Institute conference. Council members decided to donate \$1,000 additionally each per year to a pooled fund specifically meant to advance women and women’s initiatives on campus. According to Vice President for Development Martha Taylor, members of the foundation staff had their doubts: “We thought...hmm...this could be really cumbersome. After all, university fundraising has to focus on large gifts. But it has been wonderful for the women and has raised the profile of the Women’s Philanthropy Council enormously!”

The Nuts and Bolts: The council meets twice each year for a half-day to conduct all of its business, of which the giving circle is a

portion. The University of Wisconsin Foundation also provides a dinner the night before and afternoon university tours and other social opportunities. In addition, the director of the council sends an annual reminder to council members to request their donations. The foundation distributes an RFP across the university and screens proposals with a council subcommittee. Proposals recommended for funding are presented to the entire council, which has a lively discussion and then approves (or not) the recommendations.

Time Required: The activity of this giving circle is episodic, so the workload fluctuates throughout the year. It averages out to fewer than five hours per week.

Specific Services Provided Include:

- Collecting and investing donations.
- Maintaining the donor database.
- Developing RFPs.
- Planning and facilitating meetings.
- Administering the grantmaking subcommittee.
- Disbursing checks.
- Recruiting members.
- Providing educational opportunities.
- Promoting the giving circle through organizational materials.
- Providing documentation.
- Assessing the impact of the circle on grantees and donors.

SPECIAL MODELS

The following two host/giving circle relationships really break the mold. They illustrate the exceptional flexibility of giving circles and the creativity with which host organizations can develop special initiatives to advance their own missions.

Special Model 1: Community Foundation of Santa Cruz County and the Community Advisors Network

The Host and Giving Circle: The Community Foundation of Santa Cruz County is a 25-year-old community foundation with \$41 million in assets and nine full-time staff. The community foundation created the *Community Advisors Network* in 2001 as a way to introduce professional advisors to the services that the community foundation provides for donors. Community Foundation staff believed that advisors would gain a better sense of how the foundation worked with donors if they were engaged in the

actual process of making grants. The foundation's goal was to create more knowledgeable advisors who would serve as enthusiastic advocates.

After its first five years of operation, the *Community Advisors Network* greatly exceeded the Community Foundation's expectations. The experience helps advisors understand that giving away money is difficult work. They look at their clients differently and have a stronger sense of the Community Foundation's value. According to Carol Bradford, the Community Foundation's philanthropic services officer, "It has created a great deal of good will." About a quarter of the 80 advisors who participated have created their own donor-advised funds, and half of the advisors have referred a donor to the Community Foundation.

The Nuts and Bolts: The *Community Advisors Network* is an annual giving circle, facilitated entirely by the Community Foundation, with a shifting membership year to year. Activity takes place in the fall over the course of two weeks and involves eight hours of face-to-face time for the advisors.

Grantmaking: Each year, between 20 and 30 advisors participate in the giving circle. Each donates \$500, which is often matched by the Community Foundation. Advisors come together with the foundation and two trained facilitators. They listen to a short presentation about the foundation, learn about the grant review process, and meet foundation staff. The advisors divide into two groups, each of which receives a docket of three proposals to review. At the second meeting, a week later, the advisors hear short presentations from each of the groups requesting funding. The groups of advisors deliberate and choose their grantees.

Time Required:

Spring: About 20 hours for recruiting—which involves sending out letters, choosing dates, and developing printed materials.

August: About five hours for the formal announcement, which is sent to all interested advisors with an official sign-up sheet.

Fall: About 30 hours to develop the dockets and facilitate two four-hour meetings with the advisors.

Specific Services Provided Include:

- Recruiting.
- Developing and maintaining the database.
- Processing donations.
- Overseeing the Community Foundation donation match (some years).
- Developing and disseminating the request for proposals.
- Handling the docket of recommended organizations.
- Arranging space for meetings (in a hotel).
- Facilitating meetings.
- Educating advisor-participants.
- Disbursing checks.
- Evaluating grantee progress.
- Evaluating the impact of the giving circle on advisor-participants.

Special Model 2: The Clarence Foundation

The Host and Giving Circle: The Clarence Foundation is an international grantmaking organization that pursues its mission—to promote global philanthropy—almost exclusively through giving circles. To this end, the foundation supports several global giving circles each year and provides them with a variety of services, including helping them develop a learning curriculum, recruiting expert guest speakers, and offering vetted giving opportunities through partnerships with leading international organizations. The foundation also provides in-depth support and guidance to the volunteer leaders of hosted giving circles on issues of programming, recruitment, group process, and global grantmaking best practices.

Past circles have included the *Conflict and Peace in Africa Circle* and the *Women's Empowerment Circle*. The Clarence Foundation currently hosts *A Giving Circle to Support Vulnerable Children in East Africa*, *The Global Sojourns Africa Circle*, and *The Traveling Giving Circle to Kenya* (see below).

The Nuts and Bolts: Global giving circles hosted by the Clarence Foundation take multiple forms. The more traditional giving circles require individual donations of \$5,000, of which \$750 is a program

Hosts have an especially important role to play in supporting globally focused giving circles. **"There are often strong cultural and economic differences at play,"** explains Clarence Foundation Executive Director Marc Manashil. **"It's important for donors to be especially sensitive to the challenges facing grantees and how we can most effectively support their work. As a host organization, we can help donors make informed choices that will enable international grantees to do effective work."**

fee. These global giving circles generally meet in members' homes for seven informal sessions that include food and wine. The groups bring in expert speakers to increase their understanding of the complex global issues they are addressing. Then the groups review proposals from grassroots organizations and decide how to grant their pooled funds.

The Traveling Giving Circle to Kenya (TGC) introduced a new model. The Clarence Foundation recruited 12 donors from across the country who wanted to go to Kenya as part of their giving circle experience. The foundation worked with the International Child Resource Institute Africa to identify and connect with grassroots organizations working to improve living conditions in the slums of Kenya's capital, Nairobi. The pilot trip in 2006 was an intense and wonderful experience for participants. Another trip is planned for 2008, along with a new TGC offering to Central America.

The Clarence Foundation has also been working with an adventure travel company named Global Sojourns to offer a third, less-intensive giving circle model in which members from across the country contribute at a lower level (\$500 to \$1,000) and hold their meetings via teleconference. In 2007, two of the group's members traveled to visit projects in Zambia and reported their experiences back to the entire circle to inform its decision-making process.

Time Required: According to Clarence Foundation Executive Director Marc Manashil, each giving circle requires between five to 10 hours of work per week. Manashil provides staffing services and coordinates significant volunteer contributions from giving circles and board members. According to Manashil, one of the Clarence Foundation's most important jobs is brokering relationships between the giving circles and global organizations that can identify appropriate projects for funding.

Specific Services Provided Include:

- Recruiting participants.
- Developing and maintaining the giving circle database.
- Processing donations.
- Brokering relationships between circles and global organizations.
- Coaching the giving circle leadership.
- Developing and disseminating requests for proposals. Handling the docket of recommended organizations.

- Facilitating meetings.
- Providing educational experiences, including speakers.
- Disbursing funds.
- Evaluating grantee progress.
- Evaluating the giving circle's impact on participants.
- Promoting giving circles in the media.

Lessons to Learn: When working with newly formed giving circles, Manashil has found that volunteer leaders need considerable support, particularly at first. The challenge is to empower the giving circle's volunteer leaders to take on as much responsibility as appropriate to run the circle while maintaining strong support and understanding of the crucial services that, as host, the Clarence Foundation provides.

APPENDIX B: 2007 Giving Circle Survey

BASIC INFORMATION

In this section, we will ask you some basic questions about your giving circle.

1 Please provide your contact information:

Name of Giving Circle _____

Your Name _____

Address: _____

City/Town _____

State/Province _____ Zip Code _____

Telephone _____ Email Address _____

2 Please provide a secondary contact person for your giving circle:

Name _____

Address: _____

City/Town _____

State/Province _____ Zip Code _____

Telephone _____ Email Address _____

3 In what year was your circle formed?

- Prior to 1998
- 1998
- 1999
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- Other, please specify

4 If you would like to share your giving circle's mission statement with other giving circle members, hosts and supporters via the Forum's online Giving Circles Knowledge Center (www.givingforum.org/givingcircles), please enter it here:

HOST AND STAFF SUPPORT

Some giving circles are “hosted” by an umbrella organization such as a community or public foundation or nonprofit. Host organizations can provide a range of assistance from very basic fiscal services to significant staff support. Other giving circles have their own nonprofit (501c3) status. This section will ask questions about how your giving circle is hosted (if at all).

5 Is your circle hosted (or otherwise assisted or supported) by an organization? If so, what type of organization hosts your circle?

6 Please provide the name of your circle’s host organization and contact information for a staff person.

MEMBERSHIP

In this section, we ask questions about the membership of your circle. These questions are important because they help us get a better picture of who is attracted to giving circles. Please answer to the best of your ability!

7 How many members does your circle have?

8 Please describe the composition of your circle by indicating the percentages of members who are:

Female _____ % Male _____ %

9 Please describe the composition of your circle by indicating—to the best of your ability—the percentages of members who are:

- African-American
- Arab-American
- Asian/Pacific Islander
- Hispanic/Latino
- Multi-racial
- Native American
- White/Caucasian
- Not Sure

10 Please describe the composition of your circle by indicating—to the best of your ability—the percentages of members who are:

- Under 18
- 18–25
- 25–40
- 40–65
- 65 and Up
- Not Sure

11 Please describe any other shared affinity or identity among members within your circle. (*ie: most of your circle’s members share a similar religion, profession, family connection, etc*)

FINANCIAL CONTRIBUTION AND GRANTMAKING

In this section, we ask questions pertaining to the amount of money that members contribute to your circle for grantmaking and administration and the funds that your circle grants.

12 Please specify the amount of money given by each donor, or otherwise explain your giving practices.

13 Please provide the dollar amounts for the following

Total dollars RAISED to date? _____

Total dollars GRANTED to date? _____

Total dollars GRANTED in 2006 calendar year _____

Total dollars GRANTED (or slated to grant) in 2007 calendar year _____

14 Where, geographically, does your circle fund? Select all that apply.

Within our community (city, town, rural area, or county)

Within our state

Regionally (multi-state)

Nationally

Internationally

Other, please specify _____

15 Which of the following are among your circle's funding priorities. Check all that apply:

Animal welfare

Arts, Culture, Humanities

Community improvement and capacity building

Education

Employment, job-related

Environmental quality, protection, beautification

Health and nutrition

Housing issues

Medical issues, research

Mental health, crisis intervention

Public safety, disaster preparedness, disaster relief

Recreation (sports and leisure)

Religion, spiritual development

Science and technology

Women and girls

Youth development

Other, please specify _____

16 Is there anything else that you would like us to know? about your giving circle?

17 If you would like to join the Forum's Giving Circles Listserv and become part of a listserv of giving circles from across the country, please include your name and email address.

About Us

The Forum of Regional Associations of Grantmakers is a national philanthropic leader and a network of 32 regional associations of grantmakers. It supports philanthropy by strengthening the ability of all regional associations to fulfill their missions; these associations promote the growth and effectiveness of philanthropy in order to improve life in their communities.

The Forum organizes its activities and applies its resources against six priorities:

STRENGTHEN: We value effective and efficient geographic associations and provide support and services to them.

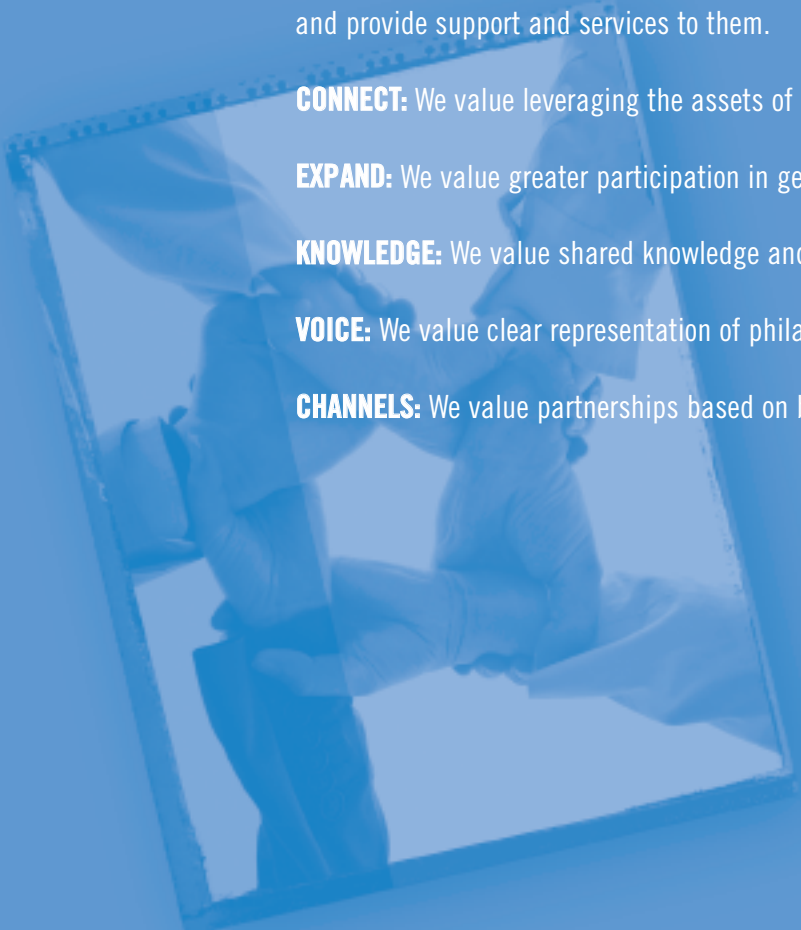
CONNECT: We value leveraging the assets of our network.

EXPAND: We value greater participation in geographic associations.

KNOWLEDGE: We value shared knowledge and informed practice.

VOICE: We value clear representation of philanthropy's impact and interests.

CHANNELS: We value partnerships based on beneficial exchange.





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*New Ventures in Philanthropy is a national initiative
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