

PHILANTHROPY

Leverage Donations With a Giving Circle

You've tried the book club, but the guilt of not finishing the book was too much. Ladies Night Out was a great idea but all the small talk just didn't do it for you. Volunteering in the community has been great but you don't always have the time commitment and you would like to make a greater contribution.

What about a "giving circle?"

Being part of a giving circle is an active form of philanthropy. You are moving past the point of responding to solicitations from nonprofit organizations to getting actively involved in making a difference in your community by leveraging your donation with a group of like-minded people.

Here are 10 considerations for setting up your own giving circle.

- How big is the circle going to be? Small, less than 20 people? Medium, 20 to 50 people? Or large, greater than 50 participants?

- What structure do you want to have? An event-based format with no consistent members? An informal structure with consistent members but no committees? A formal structure with consistent members and committees?

- What is the mission? Determine the common goals that the group wants to achieve and where the members want to make a difference.

- What do you want your financial commitment level and frequency to be? Contributions can be as small as \$20 in an event-based structure or \$20,000 for an annual donation. All donors can be required to make the



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same gift or the contributions could be done by tiered membership.

- What level of commitment do you desire from your participants? Participants may be asked to commit for one event or for several years. Also, depending on your structure, participation may be required for meetings or for serving on a committee or the steering committee.

- Where will the money be held? The money may come from the donors directly at the time of the grant or it could be held in a separate bank account. Alternatively, the money could be held with a host organization such as a public foundation or donor-advised fund, or the giving circle can become an independent 501c(3).

- How is the circle to be administered? The circle may be run strictly by volunteers or by hiring a staff person or a combination of the two.

- How are the circle's operations funded? Operations can be funded by the volunteers or the donors can pay an additional fee or percentage toward the overhead. Alternatively, outside gifts, grants or in-kind donations can be accepted toward the operational costs.

- What will be the grant-making priorities? You can support one single issue in your community or support multiple issues locally, nationally and/or internationally. Grants can be made biannually, annually or more frequently. You can accept grant requests or make unsolicited donations to organizations that your circle is interested in.

You might want to conduct site visits to local organizations or request additional information from institutions that are larger and not local.

- What is the impact of your giving? Be sure to step back and ensure that your circle is still aligned with the group's mission. Also, be sure you are receiving satisfaction and making a difference for the work you are doing.

Even though you are doing some important work with your giving circle, you can have fun and still feel rewarded for your work. Come up with a name that reflects the interests of the members, the mission of the group or the format of the circle.

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