Each of these SOPs and policies is designed with a focus on operational excellence, donor satisfaction, and the effective advancement of [redacted] mission. By implementing these standards, [redacted] aims to create a robust framework for fundraising activities, ensuring that every contribution is managed efficiently, ethically, and in alignment with [redacted] goals and the needs of the communities it serves.

Best Practice Research - Donor Pledge SOP

- Purpose: To establish a systematic approach for managing and fulfilling donor pledges, ensuring that pledges are tracked, acknowledged, and followed up on in a timely and efficient manner.
- Process: Involves recording pledges in Salesforce CRM, setting reminders for follow-up, and sending timely acknowledgements and updates to donors about the impact of their pledges.
- Outcome: Enhanced donor satisfaction through transparent communication and efficient management of pledges, leading to stronger donor relationships and increased likelihood of future support.

1

Donation Pledges: All You Should Know (+ Free Pledge Form Template), 12/1/2023, Kristine Ensor, https://donorbox.org/nonprofit-blog/donation-pledges

This blog post offers a concise overview of the essential information to crafting an organizational donation pledge. Donor pledges involve outreach efforts to garner pledges from committed individuals to donate a certain amount of money for every task completion that an individual or individuals complete. This task can be walking a mile, reading a book, or completing some other accomplishment that will in turn correspond to donated funds.

Important points brought up here include the following:

- The donor pledge itself should be streamlined, concise, immediate, and specific.
  - This means that it should be seamless and easy to donate, with a brief to-the-point form that offers immediate funds transfer, and with a pitch that addresses specific present needs.
- Participants share pledge cards or forms with personal network contacts (family, friends, colleagues), possibly at communal or children's events, or during a capital campaign.
  - Having fun first can make individuals more likely to be ready to listen to speeches on the organizational mission and excited to participate in donations.
  - A capital campaign is a good chance for increased donation amounts as it focuses on long-term organization growth aims.
- A matching option can encourage urgency by finding a supporter who will match donations made during a certain time frame/by a deadline and encouraging others to give while their impact can be increased.
  - This can also be facilitated with employer matching, where an employee's work organization participates by offering to match the funds individuals give.

    - The matched funds option can be encouraged with a website widget that makes it easier for individuals to know if their employer or another supporter is offering such.
- Offering both singular and recurring pledges is advisable; the latter assists in preventing "buyer's remorse", especially if certain membership benefits or other perks can be offered to those who continually contribute to the organization's cause.
- Prospect research allowing information to be gathered on donors can be used to determine the likelihood and ability of individuals to give.
    - Hannah's idea: This may also be used to develop benefits that are of specific interest to particular donors.
- In addition, it is recommendable to offer the option for anonymous pledges, where the organization may know who submitted for future funding follow up, but they are able to donate without publicly sharing identifiable information.
- The campaign should collects donations on a centralized database and/or have another organized way to track who has donated, how much is given, how often they plan to contribute, and so on.
    - The lists collected can be used by future volunteers to call out for more funding.
- A fundraising thermometer can allow contributors to see their impact in real time, as well as gauge the remaining need for help they might continually contribute to.

2

SCHOOL FUNDRAISING IN 2024: AN ULTIMATE GUIDE, Booster, January 4, 2023
https://www.choosebooster.com/blog/school-fundraising-an-ultimate-guide

This article covers the diverse landscape of school fundraising options from hands-on, event-driven endeavors to more passive, ongoing campaigns. While this piece focuses on k-12 fundraisers, many of these ideas are easily adaptable to adult education centers. The choice of fundraiser significantly influences the planning process, volunteer requirements, duration, and potential financial return. Identifying the optimal fundraising strategy necessitates a careful evaluation of a school's unique needs and resources, often leading to a blend of various fundraisers throughout the year for maximal impact.

Key School Fundraising Ideas include:

- A-Thon Fundraisers (e.g., Fun Run, Walk-a-Thon, Read-a-Thon): These encourage community participation and promote healthy, educational, or fun activities. They vary in effort and cost but generally promise high returns and engage students in active and meaningful challenges.
- Event-Based Fundraisers (e.g., Auctions, Bake Sales, Movie Nights): Offering a range of activities that can cater to different interests and community members, these events can generate significant funds but often require more extensive planning and volunteer support.

These fundraisers can be split into the following categories:

- Low-Effort Fundraisers (e.g., Text-to-Give, Corporate Gift Matching): These approaches require minimal setup and maintenance, leveraging technology or corporate philanthropy to enhance fundraising efforts with little overhead.
  - Read-a-Thon: Encourages reading with pledges per book or page, requiring minimal volunteer coordination. High profit.
  - Text-to-Give: Utilizes a simple text message system for donations, needing little more than promotion. High profit.
  - Corporate Gift Matching: Amplifies donations through corporate matching programs with minimal administrative setup. High profit.
  - Crowdfunding: Gathers small donations from a wide audience online, primarily needing promotion. High profit.
  - Raffle: Involves selling tickets for the chance to win prizes, straightforward to organize alongside other events.
  - Spirit Wear Store: Sells school-branded merchandise online, typically managed by a third-party provider. High profit.
  - Donations Page: An online portal for direct donations, easily set up and maintained with little effort.
  - Sponsorship/Advertisements: Generates revenue through local business sponsorships with minimal outreach and management.
  - Box Tops Campaign: Collects earnings from product purchases, requiring simple promotion and collection.
  - Fill-the-Jar Game: A guessing game fundraiser that can run passively in a high-traffic area.
- Medium Effort Fundraisers: Medium effort fundraisers strike a balance between simplicity and complexity, requiring a moderate level of planning, volunteer power, and resource allocation. These fundraisers are engaging and have the potential to raise significant funds, making them a popular choice for schools and organizations looking to mobilize their communities without the extensive demands of high-effort events.
  - Fun Run/Jog-a-Thon: Involves organizing a physical activity event, needing coordination for safety and participation.
  - Walk-a-Thon: Similar to a fun run, with logistical planning for routes and participant engagement. High profit.
  - Community Dog Walk: Combines a walk-a-thon format with community pet participation, requiring organization and route planning.
  - Clean-a-Thon: Engages students in community service for donations, needing coordination with local businesses and safety measures.
  - Car Wash: Offers services for donations, requiring supplies, location, and volunteer coordination. High profit.
  - Pajama Day: A fun dress-up day requiring coordination for participation and collection of donations.
  - School Sleepover: More complex due to safety and entertainment considerations for an overnight event.
  - Movie Night: Requires licensing, equipment, and space for screening, alongside concession management.
  - Talent Show: Involves auditions, rehearsals, and event management for a performance-based fundraiser.

    - Karaoke Night: Needs equipment setup and management for a music-based event, potentially including a competitive element.

- High Effort Fundraisers: High effort fundraisers are characterized by their substantial demand for planning, resources, and volunteer engagement, yet they hold the potential for significant financial returns and community involvement. These events are typically larger in scale, such as school carnivals, auctions, and large-scale sales or events that integrate the wider community. The success of high-effort fundraisers hinges on meticulous organization, from early planning stages to post-event evaluations, often spanning several months. They require a dedicated team for various tasks—securing venues, soliciting donations or prizes, marketing to the community, managing logistics, and coordinating day-of-event activities. Despite the challenges, high effort fundraisers offer rewarding opportunities for building school spirit, strengthening community ties, and achieving notable fundraising goals. Their success contributes not only financially but also by fostering a sense of achievement and unity among participants and organizers.
    - School Carnival: Demands extensive planning for games, food, prizes, and volunteers, often with significant upfront costs. High profit.
    - Auction: Requires item solicitation, event planning, and bid management, potentially both live and online. High profit.
    - Bake Sale: Needs coordination for a variety of baked goods, location setup, and volunteer sales staff.
    - Book Sale: Involves collecting, organizing, and selling donated books, requiring space and categorization efforts.
    - Restaurant Night: Coordination with a local restaurant and extensive promotion to ensure participation.
    - Trivia Night: Needs content creation, venue setup, and coordination of teams and scoring.
    - Skate Party: Requires rental coordination, safety measures, and event promotion.
    - Swim Party: Involves pool rental or coordination, lifeguard staffing, and event management.
    - Board Game Tournament: Demands collection of games, setup of play areas, and tournament management.
    - Yard Sale: Requires donation solicitation, pricing, and sale management, often on a large scale.
    - Selecting the right mix of fundraisers can balance effort and impact, aligning with the goals and capacities of the organizing body

- Each fundraising idea comes with its set of pros and cons, alongside tips for successful implementation, making it crucial for schools to select strategies that align with their goals, capabilities, and the interests of their community.

3

"The Power of a Pledge: Turn Annual Support into Major Gifts," CCS Fundraising, October 16, 2021, by Autumn Clark.

This article from CCS Fundraising outlines the strategic importance of pledges in fundraising for non-profit organizations. Pledges, defined as written commitments over a specific timeframe, have benefits for both donors and nonprofits, emphasizing how pledges can increase donor contributions and deepen their engagement, as well as provides a predictable revenue stream for organizations, and increase overall fundraising effectiveness. Salt Lake Community College (SLCC), an organization in the same field with a diverse student base but a higher intake of fundraising ($40 million) is utilized as an example of a shift from event fundraising to major gifts via documented pledges paying off.

- Pledges enhance upper-level contributions and transition donors to significant, multi-year commitments, usually spanning three to five years, which optimizes fundraising efficiency by reducing staff time needed for smaller gifts and improving the donor experience.
- Donors feel more connected and involved with the organization's achievements when they are personally invested through pledges, encouraging them to commit to giving more over time compared to one-off donations.
- Public recognition for high-level donors serves as motivation for increased giving, reinforcing that most donors only elevate their support when explicitly asked.
- The steps for soliciting a major gift pledge include identifying regular donors from direct mail, annual giving, and events; evaluating if a pledge request suits the donor, particularly foundations or corporations with specific giving patterns; inventorying the donor's giving interests; identifying an initial potential request amount to prioritize outreach, potentially stretching to a higher amount for donors who regularly give; considering a blended gift that combines various interests into one request, possibly incorporating a planned gift; cultivating the donor by valuing their interests and involvement; soliciting the pledge with a specific request, ideally in person or via video with written support, based on past gift levels and discussions; and documenting the pledge commitment.
    - Planning ahead for this process is essential to dedicating proper staff time to build a connection with the donor and show appreciation for what they give.
- A five-year pledge duration is generally optimal, striking a balance between maintaining urgency and allowing for impactful contributions, though shorter or longer periods may be appropriate based on event lifecycles, donor relationships, and specific gift circumstances.
- Pledge documentation should be clear and concise, with simple forms for straightforward gifts and more detailed agreements for complex or named donations, adjusting terminology like 'pledge' to 'commitment' or 'intention' to better suit donor sensitivities or cultural contexts.

4

Pledge vs. Donation: A Comparative Insight for 2024, Instrumentl 8/23/2023, Updated: 2/1/24, Instrumentl team, https://www.instrumentl.com/blog/pledge-vs-donation

This article examines the difference between pledges and donations, noting key ways in which they are distinct from each other, as well as the benefits, challenges, and notes on the decision making process when considering fundraising paths. Both forms of giving are essential to a nonprofit's health, offering a mix of steady support and flexible funding, but pledges have unique advantages and can be more suitable for particular goals. Pledges represent future financial commitments and allow for long-term project planning whereas donations provide immediate support that is critical for addressing urgent needs. Moreover, pledges can encourage larger gifts over time, which is particularly useful in campaigns like capital drives.
Key Points:

- Understanding the nuances between pledges and donations is crucial for crafting an effective fundraising strategy that relies on a nonprofit's ability to manage relationships, track contributions, and fulfill reporting requirements.
- Pledges vs Donations: Pledges often specify the need for particular conditions and timelines, enabling structured financial planning, while donations offer immediate financial relief with less administrative follow-up.
- While pledges offer planned gifts over time that can be substantial, ensuring pledge fulfillment can be a challenge.
    - Clear tracking and regular reminders become vital for this purpose.
    - Flexible budgeting to accommodate delays in payment reception is also helpful.
- While donations provide quick funding, it can be difficult to maintain contributor engagement following a one-time donation.
    - Ensuring giving is streamlined and easy for donors as well as offering immediate acknowledgement is critical.
    - Smart outreach strategy to ensure donors think of the non-profits the next time they are looking to contribute to a good cause also assists this process.
- Pledges and donations both represent fundraising commitments where individuals or companies contribute money or assets to nonprofits without expecting returns, and unlike grants, they do not necessitate an application process from the nonprofit.
- The pledge process involves:
    - Create a tracking system to monitor different pledges.
    - Ensure that the supporter pledge process is smooth and uncomplicated by choosing a commonly used format and keeping it to the essentials.
        - Collect the following information: Donation amount, timeframe, donation frequency, contact information, and any prohibitions/pledge conditions.
        - Follow up with an e-mail if there is a payment issue.
        - Send reminders to donors about pledges.
        - Possible formats:
            - Mailed pledges: Provide stamped envelope with fundraiser address.
            - Pledge Cards: Cards that indicate donor pledge amounts.
                - Ideal for live events such as galas.
            - Pledge Forms: Forms that specify pledge amounts and contact/payment details.
            - Phone Solicitations: Direct calls to potential donors to secure pledge commitments.

        - Text-to-Pledge Campaigns: SMS messages that facilitate donor pledge commitment.
        - Pledge Page: A dedicated section on a nonprofit's website that serves as an online pledge portal.
    - Choose based on the campaign type, donor base, financial goals, and timeframe.
    - Campaign type:
        - Pledges: Capital campaign.
        - Donations: Urgent needs.
    - Target Audience:
        - Pledges: Established supporters.
        - Donations: New leads.
    - Financial Goals:
        - Pledges: Higher contribution gifts, but longer timescale, less frequency, fewer donors.
        - Donations: (implied, not listed in article/Hannah's note): can assemble many lower immediate gifts, especially with urgent need deadlines.
    - Timeframe:
        - Pledges: Long-term planning. [Hannah's note from other doc: 2-5 years.]
        - Donations: Immediate needs.
- Conditional/Unconditional Pledges:
    - Unconditional Pledges: Commitments made without specific conditions, not tied to any particular campaign or project, and free of restrictions.
    - Conditional Pledges: Commitments that come with specific conditions agreed upon by both parties, such as funds being used for designated purposes or within a certain timeframe, often seen in matching-gift campaigns.

5

Collecting pledges in Salesforce NPSP, Idealist Consulting, 2024, Sara Metheny, https://idealistconsulting.com/blog/collecting-pledges-salesforce-npsp

Salesforce's Nonprofit Success Pack (NPSP) offers flexible solutions for tracking donations, including pledges, within a nonprofit's Salesforce environment. Understanding which NPSP package best aligns with an organization's accounting method is crucial for effectively managing pledges. The choice between using the NPSP Recurring Donations or Payments Package hinges on the nonprofit's specific accounting practices and needs for donation tracking and reporting. Both options offer a pathway to leveraging Salesforce NPSP's flexible platform for a comprehensive view of donor activity, essential for informed decision-making and strategic fundraising efforts.

- Donation Tracking Options:
    - Salesforce NPSP provides two main packages for handling donations and pledges: the Recurring Donations Package and the Payments Package. The choice between these packages depends largely on the nonprofit's accounting practices, whether they follow the accrual or cash accounting method.

- NPSP's Donation Tracking Packages:
  - Recurring Donations Package: Best suited for organizations utilizing the cash method of accounting, this package helps manage pledges and installment payments. It offers a straightforward approach to documenting and automating donation records but may lack some of the advanced features found in the Payments Package.

- Payments Package:
  - Designed with accrual method accounting in mind, this package offers enhanced data tracking capabilities. It allows nonprofits to separate revenue and cash, providing deeper insights into fundraising efforts and donor behavior. However, it may require slight modifications to address automatic selection issues in the donation creation process.

- Choosing Between NPSP Packages:
  - Accounting System Compatibility: Selecting the appropriate NPSP package starts with identifying the nonprofit's accounting method. The Recurring Donations Package aligns with cash-based accounting, while the Payments Package is tailored for accrual-based accounting.

- Package Benefits and Limitations:
  - The Recurring Donations Package simplifies pledge management but may offer less comprehensive data on fundraising progress.
  - The Payments Package delivers more detailed tracking of fundraising activities and donor engagement but might need configuration to accurately reflect donation statuses in reports.

- Effective Use:
  - For the Recurring Donations Package, organizations should prepare for some data storage considerations and configuration to accurately track recurring donations.
  - The Payments Package may require adjustments to ensure that new donations are correctly categorized and reported, enhancing accuracy in fundraising analytics.

6

TechBridge Take Action|Give, TechBridge, Inc., https://techbridge.org/take-action/give/,
TechBridge Disclosure Statement, TechBridge, Inc., 8/23/21, https://techbridge.org/wp-content/uploads/2021/09/TechBridge_Disclosure_Statement_08.23.21.pdf

TechBridge demonstrates a clear commitment to leveraging technology for social good, focusing on critical areas like hunger relief, homeless support, social justice, and workforce development to combat generational poverty. TechBridge's approach to donor pledges and donations reflects a comprehensive strategy to engage supporters meaningfully while ensuring transparency, flexibility, and impact. Their policies cater to a wide range of donor preferences, facilitating easy participation in their mission to utilize technology for social advancement.

- Donor Pledge Contribution Methods:

  - Employer matching gifts to maximize donor impact.
  - Tribute gifts in memory or honor of someone.
  - Opportunities to become a TechBridge Executive Ambassador.
  - Contributions of auction items, stock donations via donatestock.com, and purchases of branded merchandise.
  - Mail contributions directly to their Memphis PO Box.

- Additional Donor Pledge Practices:
  - Both one-time and ongoing support options
  - Suggested donor-coverage of the 3% donation transaction fee, ensuring that 100% of the intended amount supports their programs.
  - Transparent disclosure statement offering insight into operational impact covering 22 years.
    - Billions of kilos of food delivered
    - Support for BIPOC individuals in tech careers
    - Legal services provided
  - Contributions are tax-deductible
  - State-specific registration information related to legal compliance and integrity-based fundraising.

- Donation Impact Goal List:
  - Innovative technology solutions to food security organizations
  - Connect homeless individuals to services
  - Partner with justice-focused organizations
  - Close the digital equity gap through training and employment

7

Per Scholas: Donor Privacy Policy, Per Scholas. 12/9/2021. https://perscholas.org/wp-content/uploads/2021/12/Per-Scholas-Donor-Privacy-Policy-12-9-2021.pdf

Per Scholas: Frequently Asked Questions. Per Scholas. https://perscholas.org/donor-frequently-asked-questions/.

Per Scholas adopts a structured and donor-friendly approach to managing pledges, integrating flexibility, security, and clear communication into their fundraising operations. This approach ensures that donors have various convenient methods to make their pledges, including secure online platforms, phone communications, and traditional mail, accommodating individual preferences and needs. Security measures are paramount, with Per Scholas committed to protecting personal and payment information through PCI/DSS-compliant processing services, thereby upholding the trust placed in them by their supporters. Furthermore, the organization emphasizes sustained engagement with donors who make pledges, providing updates and reminders about their contributions' impact and any upcoming commitments. This engagement strategy not only reinforces the value of each pledge but also nurtures a long-term relationship between Per Scholas and its donors, and show dedication to ethical fundraising practices, emphasizing donor convenience, security, and engagement as pillars of their approach to pledges.

- Donor Pledge Contribution Methods:
  - A secure online donation form on their website
  - Direct call personal assistance for donor pledges during business hours (9AM-6PM EST)
  - Mail-in pledges with checks made payable to Per Scholas.

- Commitment to Donor Information Security:
  - Per Scholas employs PCI/DSS-compliant payment processing services such as Classy to handle online donations and pledges to ensure high security for payment card information.
  - For donations or pledges made through methods other than their website (e.g., phone or mail), Per Scholas maintains the secure handling and prompt deletion or destruction of payment card information to protect against fraud and unauthorized access.

- Engagement and Acknowledgment of Pledges:
  - Monthly donation options provide sustained support for ongoing engagement.
  - The option is open to make a tribute gift online, allowing donors to dedicate their donation in honor or memory of someone.
  - Per Scholas is proactive in communicating with donors about their pledges, including sending reminders and follow-ups to ensure donors are kept informed and engaged with the impact of their contributions.

8

The Kindezi Way, The Kindezi Schools, 2022, https://kindezi.org/the-kindezi-way/
Support Us, The Kindezi Schools, 2022, https://kindezi.org/support-us/
Donors Choose: Public School- The Kindezi School Westlake, Donors Choose, https://www.donorschoose.org/schools/georgia/atlanta-public-schools/the-kindezi-school/99529

The Kindezi School supports it's tailored educational experience focused on diversity, equity, and critical thinking via donations of "talent, time, and treasure." Donor pledges fall under the category of treasure on the *Support-Us* page on their website.

- Kindezi Schools offers a direct website donation option for supporters to make either one-time or recurring donations.
  - 100% of the intended donation goes directly to supporting over 1200 students.
- Additionally, teachers at Kindezi School Westlake utilize DonorsChoose to garner additional funds for specific educational needs.
- Demographics:
  - 96% students of color.
  - 9% receive free or reduced-price lunch.
- Donors Choose Funding Achieved:

    - $18,185 raise.
    - Funded 34 projects.
    - Supported 27 teachers.
- Community Engagement:
    - 154 donors contributed
        - 93 individuals from Georgia.
        - 61 out-of-state donors.
- Projects Supported:
    - Basic supplies (3)
    - Technology (4)
    - Books (5)
- School Overview:
    - Serves 440 students in K-8.
    - Student/teacher ratio of 7.2:1.

9

Support Kipp, KIPP Foundation, https://www.kipp.org/kipp-foundation/support-kipp/

"Donate to KIPP NYC", The Giving Block, https://thegivingblock.com/donate/kipp-nyc/

KIPP (Knowledge is Power Program) funds its educational programs for underserved children primarily via donor pledges. It offers multiple donor pledge opportunities detailed on the *Support Kipp* section of it's website.

- Donation Opportunities:
    - One-time donations
    - Monthly contributions via the Every Step community
    - Option to donate bitcoin.
- Impact and Goals:
    - Goal of 155,000 students
    - Over 345 schools
    - Aim of alumni network of 80,000 by 2025
- Community and Culture:
    - Rich cultural environment
    - Rigorous academic curriculum

10

Bring Light Into More Lives, Classy.org, The Knowledge House, https://www.theknowledgehouse.org/
The Knowledge House works to empower and sustain a talent pipeline of technologists, entrepreneurs, and digital leaders who come from low-income communities They specifically target young adults in The Bronx, New York.
- Donation options:
    - One-time Donation

    - Monthly / recurring donations
- Donor Facilitation:
    - Option to cover the processing fee
    - Donation is tax deductible
    - Giving page link on direct website to classy.org

11

College Possible

College Possible is dedicated to empowering students from underinvested communities to achieve college success through its comprehensive access and success programs. As a robust partner in education equity, they offer a variety of donation options to support their mission, including online donations, monthly sustaining donations, donor-advised funds, stock donations, and matching gifts programs. College Possible also accepts contributions via traditional mail, phone, workplace giving programs, and even cryptocurrency like bitcoin, providing multiple avenues for donors to support their cause.

- Sustaining Donor Program:
    - Allows for consistent support through monthly donations.
- Donor-Advised Funds:
    - Accepts gifts through various DAF providers, enhancing donor flexibility.
- Stock Donations:
    - Welcomes gifts of appreciated securities, facilitated through specific brokerage details provided.
- Cryptocurrency Donations:
    - Offers an innovative option to donate via bitcoin.
- Multiple Contact Methods for Donations:
    - Includes options to donate by mail or phone, accommodating traditional donor methods.

<u>Best Practice Research - Gift Acceptance Policy</u>

- Purpose: To define the types of gifts [redacted] can accept, outlining criteria for evaluation and acceptance, ensuring that all gifts align with [redacted] mission and ethical standards.
- Process: Includes a review mechanism for potential gifts, especially non-cash donations, to evaluate their alignment with organizational goals, potential liabilities, and the impact on resources.
- Outcome: A clear and transparent policy that guides the acceptance of gifts, protects the organization from potential risks, and ensures that all contributions effectively support [redacted] mission.

1

"Building an Effective Gift Acceptance Policy," The PNC Financial Services Group, Inc., December 8, 2021, https://www.pnc.com/insights/corporate-institutional/manage-assets/building-an-effective-gift-policy.html

This paper outlines the significance and structure of a Gift Acceptance Policy for nonprofits. It discusses various types of donations, such as cash, securities, real estate, art, and cryptocurrencies, and the considerations necessary for accepting these gifts. The paper underscores the need for clear guidelines to manage risks, adhere to legal requirements, and maintain healthy donor relations. This document serves as a comprehensive guide for nonprofits on how to effectively manage various types of donations through a well-structured Gift Acceptance Policy, ensuring legal compliance, financial stability, and continued donor support.

- Types of Gifts and Considerations:
    - Cash: Easiest to accept, usually without extensive review unless there are conditions that conflict with the nonprofit's mission.
    - Securities: Should be liquidated upon receipt unless stated otherwise; considerations for marketability and value assessment are crucial.
    - Real Estate: Involves considerations for property upkeep, appraisals, environmental assessments, and potential creation of separate entities to handle such assets.
    - Art and Other Tangibles: Requires appraisals, storage, maintenance, and possibly insurance; considerations for liquidation and carrying costs.
    - Cryptocurrency: May require infrastructure to receive, hold, and sell; often liquidated immediately upon receipt to mitigate volatility risks.

- Governance and Policy Administration:
    - Establishes a committee, possibly a sub-committee of the Finance Committee, to review donations for alignment with the organization's mission.
    - Specifies roles within the organization (e.g., President, General Counsel) for reviewing high-risk gifts.

- Documentation and Compliance:
    - Requires written acknowledgment for gifts over $250 to meet IRS substantiation requirements.
    - Specifies reporting requirements such as IRS Form 8282 for non-cash contributions over $500 and additional appraisals for contributions over $5,000.

- Gift Restrictions and Legal Considerations:
    - Discusses the importance of handling restricted gifts carefully to ensure they do not become a liability or deviate from the nonprofit's mission.
    - Outlines potential legal repercussions if gift conditions are not met, referencing cases such as the Tulane University lawsuit regarding donor intent.

- Strategic Use of Gift Agreements:

  - Recommends the use of Gift Agreements for restricted or large gifts to document terms and protect the organization.
  - Suggests inclusion of Variance and Moral Clauses in agreements to adapt to changing circumstances and protect against reputational risks.

2

"Why Your Nonprofit Needs a Gift Acceptance Policy," The Giving Block, May 4, 2023, https://thegivingblock.com/resources/why-your-nonprofit-needs-a-gift-acceptance-policy/

This article emphasizes the importance of a gift acceptance policy for nonprofits, as outlined by fundraising expert Laura Fredricks, JD. It details the critical reasons for establishing such a policy and the potential risks of not having one, illustrating how it can change the game for fundraising teams by providing clarity and structure to the donation process. This document provides a comprehensive overview of why and how a gift acceptance policy is instrumental in managing and leveraging donations effectively for nonprofit organizations, highlighting its significance in governance and operational efficiency.

- Purpose of a Gift Acceptance Policy:
  - Ensures that all donations are processed uniformly and ethically within the organization.
  - Provides a clear framework for fundraising teams to solicit and manage different types of donations, including emerging trends like cryptocurrency.

- Key Reasons to Adopt a Gift Acceptance Policy:
  - Risk Management:
    - Protects the organization from accepting gifts that could harm its mission, drain finances, or damage its reputation.
  - Operational Efficiency:
    - Helps manage donor expectations and streamlines the processing of charitable contributions.
  - Revenue Maximization:
    - Facilitates the exploration of new fundraising opportunities, like donor-advised funds and peer-to-peer fundraising platforms.

- Essential Elements of a Gift Acceptance Policy:
  - Committee Oversight:
    - Often developed with input from a committee, typically consisting of board members.
  - Donation Types:
    - Specifies which types of contributions will be accepted (e.g., property, stocks, cryptocurrency) and which will not.
  - Donor Types:
    - Outlines eligible donor categories (e.g., individuals, foundations, corporations).
  - Handling and Receipts:

        - Details the procedures for gift acceptance, appraisal, disposal, and receipt issuance.

- Regular Review and Updating:
    - Advised to review and update the policy every one to two years to ensure compliance with legal standards and relevance to current giving trends.

- Impact on Fundraising Strategy:
    - A well-maintained gift acceptance policy not only prevents potential issues but also modernizes and enhances fundraising strategies by keeping them aligned with contemporary donation practices.

3

"Fundraising & Resource Development: Gift Acceptance Policies," National Council of Nonprofits, May 4, 2023, https://www.councilofnonprofits.org/running-nonprofit/fundraising-and-resource-development/gift-acceptance-policies

This article from the National Council of Nonprofits emphasizes the importance of having a gift acceptance policy for nonprofits, detailing the practical reasons for and benefits of such policies. It highlights how these policies manage donor expectations, handle unusual donations, and ensure compliance with legal and ethical standards, ultimately protecting the organization.

- Purpose of a Gift Acceptance Policy:
    - Aids in managing donor expectations and ensures respectful treatment.
    - Provides guidance for staff and board members in managing both typical and unusual donations.

- Importance of the Policy:
    - Protects the nonprofit's values by enabling it to decline gifts that may conflict with its mission or lead to undesirable obligations.
    - Helps avoid legal complications, such as those arising from gifts of real property that may incur taxes or require special handling.

- IRS Considerations:
    - The IRS Form 990 inquires if a nonprofit has a gift acceptance policy, linking this to the management of non-cash contributions which are detailed in Schedule M of the form.

- Policy Content and Implementation:
    - Should detail what types of gifts are acceptable and which are not, such as outdated technology or items that the nonprofit cannot use or sell easily.
    - Policies often require that certain gifts, like real estate, undergo a review or legal consultation before acceptance.

- Guidance for Unusual Gifts:

  - Provides staff a protocol to decline gifts politely based on policy rather than personal judgment, which simplifies interactions with donors.

- Review and Updating of Policies:
  - Suggests regular reviews of the policy to ensure it remains relevant and effective, typically overseen by a fundraising or governance committee.

- Support for Staff and Donors:
  - Encourages nonprofits to make the policy accessible, potentially on their website, to guide both donors and staff.
- Advises that donors seek independent professional advice to avoid conflicts of interest.

4

"Understanding and Drafting Nonprofit Gift Acceptance Policies," Kathryn W. Miree & Associates, Inc., 2003.

This document, authored by Kathryn W. Miree, J.D., provides a comprehensive guide for nonprofits on developing effective gift acceptance policies. It emphasizes the importance of these policies in maintaining organizational discipline, managing legal risks, and ensuring effective gift administration. The guide details the processes for drafting policies, the critical elements to include, and the benefits of having structured policies in place. It is a valuable resource for any nonprofit organization aiming to enhance its fundraising efforts while managing risks and legal responsibilities effectively. It also acts as a preventive tool against potential future disputes or misunderstandings by setting clear guidelines for both staff and donors.

- Purpose and Importance of Gift Acceptance Policies:
  - Ensures disciplined and consistent acceptance and management of gifts.
  - Protects nonprofits from accepting gifts that could negatively impact their financial health or reputation.
  - Educates staff and board members on complex issues related to different types of gifts.

- Key Components of Gift Acceptance Policies:
  - Asset Types and Forms:
    - Defines acceptable types of assets and forms of gifts.
  - Administrative Procedures:
    - Establishes the nonprofit's role in administering gifts.
  - Legal and Tax Compliance:
    - Ensures compliance with legal standards and IRS requirements, avoiding potential conflicts and liabilities.

- Process of Developing Policies:
  - Involves collaboration among planned giving staff, executive leadership, and legal advisors.

  - Encourages regular review and updates to adapt to new legal standards and organizational needs.
  - Suggests establishing a gift acceptance committee to manage and review gift policies.

- Practical Examples and Case Studies:
  - Discusses real-world scenarios where lack of proper policies led to complications.
  - Provides a detailed look at various gift types, including real estate, securities, and personal property, with specific considerations for each.

- Implementation and Management:
  - Recommends regular training for staff and board members on the policies.
  - Advocates for transparency and clear communication with donors about the policies.
  - Suggests having legal counsel review all complex gifts and potential conflicts of interest.
- Rationale for Gift Acceptance Policies:
  - Protects the organization by setting clear standards for what gifts are acceptable, which helps avoid the acceptance of gifts that are not in the nonprofit's best interest.
- Ensures compliance with legal and ethical standards, reducing the risk of legal challenges and financial burdens associated with certain types of gifts.
- Facilitates effective management of donations by providing guidelines on handling, processing, and acknowledging gifts.

- Types of Accepted Gifts:
  - Clear guidelines on the types of gifts the nonprofit will accept, such as cash, securities, real estate, and personal property.
- Procedures for Gift Review:
  - Procedures for reviewing gifts that may require special consideration, such as real estate or gifts from foreign sources.
- Roles and Responsibilities:
  - Definitions of roles and responsibilities of staff and board members in the gift acceptance process.
- Legal and Tax Implications:
  - Guidelines to ensure all gifts are reviewed for legal and tax implications, safeguarding the organization and the donor.
- Development Process:
  - Involvement of key stakeholders including board members, executive staff, and legal counsel in drafting and reviewing the policy.
  - Regular updates and reviews of the policy to adapt to changes in the legal landscape or in the organization’s strategic direction.
  - Education and training for staff and board members on the implications of the policy and their roles in the acceptance process.
- Implementation Guidelines:

    - Establishment of a gift review committee to assess and make decisions on complex gifts.
    - Detailed procedures for declining gifts that do not meet the organization's criteria, including how to communicate decisions to potential donors diplomatically.
    - Strategies for acknowledging and recognizing gifts in ways that align with the policy and enhance donor relations.
- Case Studies and Examples:
    - Illustrative examples of situations where a well-crafted gift acceptance policy protected the nonprofit.
    - Discussion of challenges faced without a policy, such as unexpected costs, legal challenges, or damage to the organization's reputation.
- Additional Resources:
    - Templates and sample policies that can be adapted to specific nonprofit needs.
    - References to legal cases and IRS regulations that underscore the importance of compliance in gift acceptance.

5

"Procedures for Handling Donations," University of Cambridge Development and Alumni Relations, November 2023.
https://www.finance.admin.cam.ac.uk/files/procedures_for_handling_donations.pdf

This publication details the comprehensive procedures for soliciting, accepting, and managing donations at the University of Cambridge. It outlines the specific processes and guidelines to ensure ethical practices, legal compliance, and effective donor management. The document emphasizes the need for coordination among different parts of the university and outlines the conditions under which different types of donations, including monetary, non-monetary, and research grants, can be accepted.

- Highly detailed specifics/facts/stats/list in bullet points:
    - Donation Acceptance Criteria:
    - Donations must align with the university's philanthropic intent and must not result in any direct financial benefit or control to the donor.
    - Specific exclusion criteria for what cannot be considered a donation include scontractual relationships that benefit the donor financially or give them control over research outcomes or publication rights.

- Procedures for Acceptance of Donations:
    - No donation is presumed accepted until formal procedures are completed. Larger donations and complex gifts like real estate or stocks require rigorous due diligence and approval from higher authority, potentially up to the Vice-Chancellor.
    - Donations intended for research are treated differently but still recognized as philanthropic if they meet specific criteria, ensuring they can be counted towards certain academic funding frameworks.

- Guidelines for Specific Donation Types:
    - Detailed procedures for handling various types of donations, including monetary gifts, gifts in kind, and foreign currency donations.
    - The document outlines the roles and responsibilities for the acceptance and management of these gifts, ensuring legal and ethical compliance and alignment with the university's mission.

- Ethical and Legal Considerations:
    - Emphasizes the need for a thorough due diligence process, especially for significant donations or those from potentially controversial sources.
    - Discusses the implications of accepting gifts that might impact the university's reputation or legal standing, particularly in terms of compliance with the Freedom of Information Act and other regulatory frameworks.

- Management and Stewardship of Donations:
    - Stresses the importance of donor stewardship, ensuring that donors are acknowledged appropriately and that their contributions are managed transparently and effectively.
    - Provides for the ongoing review and adjustment of policies related to gifts to adapt to changing circumstances and ensure continuous alignment with the university's strategic goals.

6

"Beware Vendors Bearing Gifts: The 5 Things That Should Be in Your Gifts and Entertainment Policy," Fisher Phillips, November 17, 2023, https://www.fisherphillips.com/en/news-insights/vendors-bearing-gifts-and-entertainment-policy.html

This document highlights the importance of having a well-defined Gifts and Entertainment (G&E) Policy for companies, especially during the holiday season when the exchange of gifts can imply conflicts of interest or even bribery. The article outlines five key aspects that should be included in such a policy to ensure ethical business practices and maintain company integrity.

- Dollar Limits on Gifts and Entertainment:
    - Suggests setting a \$50-\$100 limit on gifts and a \$100-\$200 limit on entertainment, with adjustments based on local cost of living for international operations.
    - Prohibits gifts of cash or cash equivalents such as gift cards to avoid any implications of bribery or undue influence.

- Who Should Be Covered by the Policy:
    - Applies to all employees, from entry-level to CEO, to prevent ethical breaches at any level of the company.
    - Special considerations are outlined for executives and events that may necessitate exceeding usual limits, subject to pre-approval by the company's legal or compliance group.

- Timing of Gifts and Entertainment:
    - Prohibits acceptance of gifts or entertainment during sensitive periods such as contract negotiations, bidding processes, or vendor evaluations to avoid conflicts of interest.

- Specific Situations and Guidelines:
    - Addresses gifts to fellow employees, public officials, and foreign public officials, with stringent requirements for pre-approval and compliance with laws like the Foreign Corrupt Practices Act.
    - Emphasizes the need for alignment with the recipient's company policies and customary business practices.

- Handling Questions and Compliance:
    - Provides clear contact information and resources for employees to get guidance on the G&E policy.
    - Encourages open communication and consultation to ensure policy compliance and handle any ambiguities or issues that arise.

- Policy Communication and Enforcement:
    - Recommends inclusion of the G&E policy within the company's compliance and ethics frameworks.
    - Suggests integrating the policy into new hire orientations and sending annual reminders to employees and business partners about the policy, particularly during the holiday season.

7

Per Scholas: Donor Privacy Policy, Per Scholas. 12/9/2021. https://perscholas.org/wp-content/uploads/2021/12/Per-Scholas-Donor-Privacy-Policy-12-9-2021.pdf

Per Scholas: Frequently Asked Questions. Per Scholas. https://perscholas.org/donor-frequently-asked-questions/.

Per Scholas' policies reflect a holistic approach to gift acceptance and donor privacy, prioritizing secure, flexible, and respectful interactions with their supporters. Their practices demonstrate a deep understanding of the importance of donor trust and engagement in advancing their mission to provide tech education and career opportunities to underserved communities.

- Tax Deductible Donations: 501(c)3 organization
- Diverse Methods for Contributions:
    - Online donations through a secure form on their website.
    - Telephone donations by calling their provided number during business hours.
    - Mailed checks to their Bronx address, facilitating traditional donation methods.
    - Monthly giving options to support sustained contributions over time.
    - Tribute gifts made online, allowing donors to honor others with their contributions.

  - Legacy gifts, inviting donors to include Per Scholas in their estate planning.
  - In-kind donations and corporate engagement opportunities, expanding the ways businesses can contribute beyond monetary donations.
- Donor Privacy Commitments:
  - Strict policy against renting, trading, or selling donor email addresses and personal information.
  - PCI/DSS-compliant payment processing for secure online transactions.
  - Options for donors to opt-out of specific or all correspondence, ensuring control over their communication preferences.
  - A commitment to transparency and updates regarding any changes to their privacy policy, safeguarding donor trust.
- Protection and Use of Donor Information:
  - Collects donor personal information (names, addresses, contact details) through various interactions (website inquiries, event registrations, contributions).
  - Utilizes donor information to analyze giving patterns, communicate about their mission and fundraising efforts, and comply with legal requirements.
  - Ensures secure handling of payment information, with a strong discouragement of transmitting such details via email.

8

"Foundation Gift Acceptance Policy," East Georgia State College Foundation, September 25, 2015, https://www.ega.edu/about/at-a-glance/policies-and-procedures-of-the-college/15-foundation-gift-acceptance-policy.html.

This document outlines the gift acceptance policy of the East Georgia State College Foundation, established to support the college through private donations not covered by state funds or tuition. The policy is designed to ensure that all fundraising activities are ethical and that gifts are accepted in alignment with the college's mission and legal obligations. This policy not only sets the framework for accepting and managing donations at East Georgia State College but also emphasizes ethical considerations and the importance of transparency in handling donor contributions.

Purpose of the Policy:

- To guide East Georgia State College employees and trustees in ethical fundraising practices.
- To ensure that fundraising activities support the college's mission and objectives without imposing financial burdens beyond its budget.

Policy Overview:

- Applies to all forms of donations including cash, in-kind gifts, and other private contributions referred to as "grants" by some entities.
- Ensures that the acceptance of gifts does not carry obligations conflicting with state law or the policies of the Board of Regents.

Gift Types and Acceptance Criteria:

- Includes outright or deferred contributions with no goods or services expected in return, except for general reports or fulfilling donor intent.
- Special handling is required for "in-kind" gifts as per the attached exhibit (A).

Ethical Standards and Donor Rights:

- Fundraisers must adhere to professional standards by CASE, ensuring personal integrity, confidentiality, public trust, and compliance with laws.
- Donors are entitled to clear information about the organization’s mission, use of donations, and financial statements as part of the Donor Bill of Rights.

Role of Institutional Advancement:

- All fundraising must be coordinated through the Department of Institutional Advancement to avoid multiple solicitations of the same donor and ensure a consistent approach.
- The Director of Institutional Advancement ensures donor intent is respected, including public acknowledgment and compliance with gift conditions.

Governance and Oversight:

- The policy mandates regular reviews and adjustments to remain aligned with legal standards and the college’s strategic needs.
- Involves the college's President in affirming that gifts are free of inappropriate obligations and are manageable within the institution's budget.

9

"Gift Acceptance," Guilford College, https://www.guilford.edu/policy/gift-acceptance.

Guilford College's Gift Acceptance Policy outlines the criteria and procedures for accepting gifts to support its mission and core values. The policy ensures that all gifts are scrutinized to benefit the College and do not impose undue burdens. It emphasizes legal compliance, ethical fundraising, and donor respect, aiming to manage gifts effectively while upholding the College's integrity. This document is a critical tool for Guilford College, guiding the acceptance and management of donations to foster a sustainable and ethical fundraising environment. It reflects a comprehensive approach to gift acceptance that prioritizes the college's mission while respecting donor intent and legal requirements.

- Purpose and Scope:
    - The policy applies to all gifts received by the college, aiming to ensure they align with Guilford's mission without causing financial or administrative strain.
    - It is designed to handle gifts ethically and legally, protecting both the donor's intent and the college's interests.

- Gift Acceptance Considerations:

- Gifts should not result in burdensome costs or liabilities and should be legally obtained with clear title from the donor.
- No gift will be accepted if it violates federal, state, or college policies.

- Ethical and Legal Compliance:
    - Adheres to standards set by bodies such as CASE, AFP, and the American Council on Gift Annuities, among others.
    - Requires all gift solicitations to be coordinated through the Office of Advancement and Alumni Relations.

- Specific Provisions:
    - Gifts are reviewed based on their type and potential impact on the college.
    - The policy prohibits accepting gifts with overly restrictive conditions or those that may lead to future unforeseen costs.
    - Special procedures are outlined for handling in-kind gifts and detailed processes are in place for major gifts like real estate and securities.

- Oversight and Enforcement:
    - The Vice President for Advancement oversees the implementation of the policy, with significant gifts and sensitive donor relations being subject to higher-level review.
    - Regular audits and reviews ensure compliance and adaptability to changing legal and financial landscapes.

- Donor Interaction:
    - Encourages transparency and maintains donor confidentiality, respecting donors' rights as outlined in the Donor Bill of Rights.
    - Donors are encouraged to consult independent financial and legal advisors to ensure their gifts align with personal estate and financial plans.

10

"Gift Solicitation and Acceptance Policy and Guidelines," Coastal Pines Technical College Foundation, Inc., https://coastalpines.edu/uploads/files/79/f5/79f5d3035d225a80d51d25553bc05462.pdf.

The Coastal Pines Technical College Foundation's policy on gift solicitation and acceptance emphasizes clear guidelines to ensure ethical fundraising and proper coordination of all donations. These guidelines reflect the institution's commitment to ethical practices and responsible governance in managing donations, ensuring they support the foundation's mission effectively.

- Coordination of Fundraising:
    - All fundraising activities and solicitations must be coordinated through the College Advancement Office.

- o The Executive Director of the Foundation oversees all types of fundraising to ensure compliance and efficiency.

- Gift Acceptance:
    - o The Foundation accepts various forms of gifts, including cash, equipment, property, trusts, and annuities.
    - o Gifts may be unrestricted or restricted. Restricted gifts are carefully reviewed to ensure they align with the college's capabilities and needs. If restrictions are deemed inappropriate or too burdensome, the gift may be refused or returned.

- Gift Designation:
    - o Gifts intended for specific programs or uses are honored according to the donor's wishes, provided they align with the college's strategic goals and capabilities.

- Gifts In-Kind:
    - o The acceptance of in-kind gifts is contingent upon an evaluation by the Executive Director, often in consultation with the College President, to determine their utility and potential financial implications.

- Real Estate Gifts:
    - o Real estate gifts require approval by the Executive Committee and must come with a qualified appraisal.
    - o These gifts should be free of encumbrances and not involve prohibitive carrying costs.

- Policy Amendments:
    - o The gift solicitation and acceptance policies and procedures are subject to periodic review and amendment by the Foundation's Board of Trustees to remain current and effective.

<u>Best Practice Research - In-Kind Acceptance Policy</u>

- Purpose: To establish guidelines for accepting in-kind donations, detailing the process for assessment, acceptance, and acknowledgment of such gifts.
- Process: Incorporates a standardized form for donors to complete when making in-kind contributions, facilitating the evaluation of in-kind gifts based on need, capacity to use, and alignment with [redacted] objectives.
- Outcome: Efficient management and utilization of in-kind gifts, ensuring that these contributions are acknowledged properly and utilized in a manner that best supports [redacted] programs and beneficiaries.

1

TechBridge Products & Services | Hunger Relief | DonorExpress, TechBridge, Inc., https://techbridge.org/products/hunger-relief/donor-express/

TechBridge, in its commitment to leveraging technology for social good, embraces in-kind donations as part of its multifaceted approach to combat generational poverty. Drawing on the it's adoption of DonorExpress™, a platform used by Feeding America to facilitate the donation of surplus goods from manufacturers, TechBridge recognizes the value and impact of in-kind contributions alongside financial support. This strategic alignment enables TechBridge to broaden its resource base, supporting organizations within its core focus areas: hunger relief, homeless support, social justice, and workforce development.

- DonorExpress™ platform
  - Streamlines the donation process and maximizes the utility of each contribution,
  - Ensures that resources such as technology, services, or goods directly enhance their mission.
- In-Kind Donations:
  - Donation of goods and technology by leveraging platforms and partnerships
  - Allows for efficient distribution of resources to program areas most in need
- Tax Benefits and Operational Improvement for Donors:
  - Win-win scenario for donors
  - Tax benefits
  - Improve bottom lines by donating surplus inventory
  - Fulfilling corporate social responsibility goals.
- Transparent Impact Reporting:
  - DonorExpress by the Numbers widget on website
    - AE-Circle:
      - 2,659,554,732 Pounds of food delivered since inception
      - 182,206,461 Pounds of food delivered in 2021
    - AE-Circle
      - 156,295,654 Total Pounds donated by online donors in 2018.
- Enhancement of Core Programs:
  - Technology that propels workforce development initiatives
  - Goods that aid in hunger relief and homeless support

2

Support Us, The Kindezi Schools, 2022, https://kindezi.org/support-us/

The Kindezi School supports it's tailored educational experience focused on diversity, equity, and critical thinking via donations of "talent, time, and treasure." In-kind contributions are covered in the "talent" category listed on their website's *Support-Us* page.

- Kindezi Schools welcome donations of goods and services from businesses.
- Business donations are facilitated via contact with the chief of staff, with contact information provided on their website.

3

"In-kind donations – peculiarities and challenges of product philanthropy," Sandra Stötzer, Katharina Kaltenbrunner, *Review on Public and Nonprofit Marketing*, October 8, 2023, https://doi.org/10.1007/s12208-023-00388-0

The article addresses the significance of in-kind donations to nonprofit organizations (NPOs). It outlines a comprehensive income classification of resource sources for NPOs that incorporates in-kind contributions. A detailed classification of both monetary and non-cash donations is presented, categorizing them as financial surrogates. The document highlights the practical challenges and specifics of managing in-kind donations through three case vignettes that showcase real-world applications and obstacles in utilizing these donations effectively.

- Strategic management is required to make the most of in-kind donations, which have potential to significantly support an NPO's mission but also to face unique managerial challenges.

- Examples of non-profit organizational resources:
    - Membership fees
    - Public funding
    - Service fees
    - Donations.
        - In-kind donations may include non-cash gifts, i.e. products or services.

- In-Kind Donation Challenges:
    - The need for adequate storage and space management.
        - In-kind donations such as physical goods can require significant storage space. Nonprofits often struggle with limited space, making it challenging to accommodate large or unexpected donations.
        - Cost of Storage: Securing additional storage space can be costly. Without proper planning, the cost might offset the financial benefits of the donations.
    - The need for adequate logistics.
        - Efficiently distributing in-kind donations requires transportation resources, coordination efforts, and timing considerations to prevent wastefulness of goods.
        - Some in-kind donations may require special handling or conditions (such as cost-incurring refrigeration for food products or secure storage for high-value items)
    - The need for expertise in assessing the value of received goods/services and managing contributions.
        - Needed for technology, machinery, or professional services, to name a few examples.
        - Determining the fair market value of donated goods for accounting and reporting purposes may require professional appraisal services.
    - The need to prevent improper handling.
    - The ability to quickly distribute perishable goods.

   - The occasional receipt of excessive or unsuitable items, such as "junk donations."
   - Proper inventory management.

- Diverse Case Studies:
   - Three diverse NPOs are presented as case vignettes illustrating the significant role of effective management of in-kind donations in substantially reducing operational costs for non-profit organizations (NPOs), thereby enhancing their ability to provide services or expand their operations.
      - Animal Welfare Organization:
         - This case highlighted the successful integration of donated items into the operational flow of an animal welfare organization. By selling these donations at community events, the organization could generate additional funds, supporting its mission and expanding its impact without increasing operational costs.
         - In-kind donations include pet food and supplies, highlighting the logistics of collecting, storing, and using these donations effectively.
      - Social Supermarkets:
         - This example focused on supermarkets that offer donated food products to the economically disadvantaged.
         - The operational challenges included managing perishable goods, coordinating with donors, and handling the logistics of storage and distribution.
         - Efficiently managing in-kind food donations allowed the organization to offer groceries at significantly reduced prices.
         - This initiative not only addressed food insecurity but also minimized food waste, helping the organization to stretch financial resources further and enhance service provision to a larger segment of the community.
      - Recycling Project:
         - A recycling project transformed in-kind donations into profitable sales items, boosting revenue while fulfilling ecological and social objectives, such as reducing waste and providing affordable products to low-income individuals .
         - A project that involves recycling donated goods for resale, providing job opportunities for disadvantaged groups. The case illustrates the process of sorting, repairing, and selling donated items, and the organizational efforts required to manage these activities.
   - Additional Non-Specific Examples:
      - Food banks:
         - Food banks receive perishable and non-perishable food items which require immediate logistical planning for distribution before spoilage.
      - Clothing Reception:

        - Non-profits that receive large quantities of clothing must sort, store, and distribute these items efficiently to beneficiaries.

- Direct financial resources
    - Cash donations and grants

- Financial Surrogates:
    - Non-monetary assets that hold intrinsic monetary value and can be used to meet the operational demands of nonprofits.
        - Example: In-kind donations
        - Utilizing financial surrogates can reduce help reduce costs associated with purchasing necessary goods and services as well as operational costs, and enhance service delivery.

- In-Kind Donations:
    - In-kind donations can alleviate the pressure on their financial resources, optimize budget allocations, and extend their operational capabilities.
    - Tangible Contributions:
        - Physical goods such as food, clothing, medical supplies, and other materials essential for daily non-profit operations.
    - Intangible Contributions:
        - Services or skills donated to nonprofits
        - Legal advice
        - Marketing
        - Training

- Cost reduction via successful in-kind contribution management:
    - Supply Savings:
        - Tangible goods received as in-kind donations (like office supplies, medical equipment, or educational materials) replace what organizations would otherwise need to purchase. This direct reduction in purchasing expenses frees up financial resources for other critical needs.
    - Service Provision:
        - Intangible in-kind contributions, such as professional services including legal advice, accounting, or marketing, save costs that would have been incurred through outsourcing these services.
    - Strategic Resource Allocation:
        - By saving on operational and service-related expenses through in-kind donations, nonprofits can reallocate their direct financial resources towards expanding their programs, investing in capacity building, or enhancing their service delivery mechanisms.

- Matching Needs with Donations:
    - Aligning in-kind donations with organizational needs.
    - Example: receiving outdated technology might not meet current organizational needs.

- Staff Training and Management:
    - Specialized equipment or software often requires staff training to prevent limitations to their utility.

- Compliance Issues:
    - Regulatory requirements exist for accepting, valuing, and using in-kind donations, particularly for financial reporting and tax purposes.
    - Failure to comply with these regulations can lead to legal and financial repercussions.
- Transparency and Accountability:
    - Maintaining transparency and accountability in how in-kind donations are used is crucial for donor trust and organizational credibility.
    - This requires meticulous record-keeping and reporting systems.

- Strategic Planning:
    - Create clear policies for accepting, assessing, and utilizing in-kind donations based on the organization's capacity and strategic goals.
    - Invest in the necessary infrastructure to store, manage, and distribute donations efficiently.
    - Collaborate with other organizations and businesses can help manage the logistical and operational challenges associated with in-kind donations.
    - Provide ongoing training for staff to ensure they have the skills needed to manage and utilize in-kind donations effectively.

- Financial Reporting:
    - Accurate assessment also aids in financial reporting and transparency, which is crucial for maintaining trust with stakeholders and donors.

- Resource Allocation:
    - Avoiding Redundancies:
        - By strategically managing in-kind donations, organizations can avoid redundancies in resources, ensuring that the donated items and services are those that the nonprofit actually needs, thus avoiding waste.
    - Optimized Usage:
        - Strategic management helps in planning the optimal use of received goods and services, aligning them with current projects and operational needs, which maximizes utility and efficiency.

- Cost Reduction and Budget Optimization:
    - Direct Savings:
        - Effective management of in-kind donations leads to significant cost savings by substituting financial expenditures with donated goods and services.
        - This includes savings on operational costs such as office supplies, professional services, and other essential materials.

  - Reallocation of Funds:
    - The savings achieved can then be redirected towards other areas of need within the organization, potentially funding new programs or expanding existing ones, which might not have been possible with limited financial resources.

- Integration into Operational Strategy:
  - Fulfilling Mission Goals:
    - In-kind contributions can be strategically used to directly support and enhance the nonprofit's mission.
    - For example, donated computers can be used to facilitate educational programs, directly impacting the organization's ability to serve its community.
- Enhancing Service Delivery:
  - The strategic use of in-kind donations can improve the quality and reach of services offered, making operations more effective and impactful.

- Stakeholder Engagement and Relationships:
  - Donor Relations:
    - Properly managing and acknowledging in-kind donations increases donor satisfaction and trust, which can lead to sustained or increased support from donors.
- Community Engagement:
  - Effective use of local in-kind donations can strengthen community ties and enhance the organization's reputation within the community, leading to more support and collaboration opportunities.

- Long-term Sustainability:
  - Diversifying Resources:
    - Integrating in-kind contributions effectively into the organizational strategy helps in diversifying the resource base, reducing dependence on monetary donations, and increasing resilience against financial fluctuations.

- Methodological Approach:
  - This reviewed service-learning projects where students applied theoretical knowledge to the practical problems of NPOs, enhancing both technical skills and social competencies.

- Practical Implications:
  - The findings underscore the importance of strategic management of in-kind donations to maximize their utility and integrate them effectively into NPOs' broader operational strategies.

4

The Business Case for Product Philanthropy, School of Public & Environmental Affairs, Indiana University Bloomingston, 2012, Justin M. Ross Assistant Professor of Public Finance & Economics & Kellie L. McGiverin-Bohan Doctoral Candidate, https://www.nchv.org/images/uploads/The_Business_Case_for_Product_Philanthropy_WEB(1).pdf
"The Business Case for Product Philanthropy" outlines the various benefits and frameworks for businesses considering product donations as part of their inventory management strategies, particularly focusing on the economic and social impacts.

- In 2010, corporations donated approximately $15.29 billion to charity, with more than 60% of these contributions being in-kind donations.
- Product Donation Advantages:
  - Visibility
  - Environmental sustainability
    - Reducing landfill demands
  - The potential for special tax treatments.
  - Firms often choose product donations over cash during recessions due to excess inventory and reduced cash balances.
- Framework for Decision Making:
  - Review the cost-benefit analysis of liquidating, disposing, or donating inventory.
  - Consider tax implications, logistical costs, and the socio-economic impact of donations.
- Impact on Socio-economic Groups:
  - Even small product donations can significantly impact the budgets of households in need, especially those targeted by charitable programs.
  - Product donations can significantly impact lower-income and socio-economically disadvantaged groups by providing direct access to goods that are essential but might be unaffordable.

- Cost-Benefit Analysis of Donation vs. Disposal:
  - Using effective inventory management tools including tax implication evaluation can be helpful instead of disposing of or heavily discounting surplus, mislabeled, or outdated items.
  - Product donations often present a more cost-effective alternative compared to disposal or liquidation.
- Strategic and Tax Advantages:
  - Donating products can yield significant tax benefits under specific IRS provisions, enhancing the attractiveness of this option over liquidating or discarding items.
  - The document also discusses how product donations can align with broader corporate social responsibility (CSR) strategies, enhancing a company's public image and brand reputation.

- Economic Benefits:

  - Product donations can turn inventory that would otherwise be liquidated at 10-30% of its value into a tax-deductible donation, potentially valued at up to twice the cost basis.

- Social Impact:
  - Companies can improve their brand image and customer loyalty by being seen as socially responsible. The report notes that consumers and employees favor companies that actively support community causes.

- Tax Deductions:
  - Under IRS Tax Code §170(e)(3), businesses can receive enhanced tax deductions for donating products, which often makes donating more advantageous than liquidating or disposing of products.

- Employee Engagement:
  - Companies that engage in product donations often see higher employee morale and retention, as employees feel more connected and proud of their employer's community involvement.

- Environmental Impact:
  - By donating products instead of sending them to landfills, companies can significantly reduce their environmental impact, contributing to sustainability goals.

- The section from pages 11 to 25 of the document "The Business Case for Product Philanthropy" discusses various aspects of product philanthropy, including the cost-benefit analysis of donating products instead of disposing or liquidating them, and the broader impacts on the corporate image and socio-economic groups.

- These insights assist corporations in strategically integrating product philanthropy into their broader business and social impact strategies, highlighting both the direct financial benefits and the long-term advantages of enhanced community standing and consumer perception .

- Financial Analysis Models:
  - There is a need to analyze the financial implications of donating, disposing, or liquidating inventory, including tax benefits, floor space opportunity costs, and liquidation revenues .
- Corporate Image and Branding:
  - Philanthropy can improve a company's public image, attract positive media attention, and build brand loyalty through visible charitable actions.
- Impact on Stakeholders:
  - Various stakeholders, including employees, customers, and investors, can benefit from well-managed donation programs, as these enhance employee engagement and attract customers and investors who value corporate responsibility.
- Cash vs. Product Philanthropy:

  - Different types of donation may align better with distinct philanthropic strategies.
  - Product donations may provide more tangible community benefits and stronger alignment with a company's CSR initiatives.
- Return on Investment:
  - Product donations typically offer a better ROI than cash donations, primarily due to tax advantages and direct community impact.

5

"E. IN-KIND CONTRIBUTIONS," No Publisher listed, No Date Published listed, Authors: Ronald Fowler and Amy Henchey, No URL listed.

This article discusses how handling in-kind contributions requires working within the framework of the U.S. tax code, specifically under IRC 170(e)(3), which pertains to the charitable donations of goods. These contributions can be manipulated for fraudulent purposes, yet the intent behind tax provisions encourage legitimate donations that assist needy individuals. The balance the IRS must maintain between encouraging philanthropy and preventing abuse underscores the legal and operational challenges in managing in-kind donations effectively. Examples provided serve to illustrate the complexities and potential pitfalls in managing and reporting in-kind donations, as well as the need for meticulous record-keeping, honest valuation, and adherence to legal requirements. The goal is to ensure donations fulfill charitable purposes and do not merely serve as tax shelters or personal profit schemes.

- Legal Framework:
  - IRC 170(e)(3) allows businesses to claim deductions for in-kind donations beyond the property's basis if the contributions meet specific conditions related to assisting the needy, which can include food, medical supplies, and other necessities.
- Abuse and Compliance:
  - There is concern about organizations that exploit these tax provisions by not using the donated goods as intended. The IRS focuses on ensuring that such donations genuinely aid charitable causes and are not used for private gain or fraud.
- Valuation Challenges:
  - Determining the fair market value of donated goods is critical and must reflect a realistic selling price that considers the goods' condition and marketability. Overvaluation of donations is a noted issue, with implications for both donors and receiving organizations.
- Operational Requirements:
  - Organizations must provide written statements guaranteeing that the donations will be used appropriately, aligning with specific IRS requirements.
  - They must also maintain detailed records to support the lawful and effective use of donated goods.
- Enhanced Deductions:
  - The document outlines how to calculate enhanced deductions under IRC 170(e)(3), considering factors like the fair market value of the goods and their basis, which affects the allowable deduction amount.

- Intermediary Roles:
    - The role of intermediary organizations in distributing in-kind donations is acknowledged, yet the document also warns of the potential for misuse if these intermediaries do not directly contribute to charitable outcomes.

- Example: We Care About Hunger, Inc. (WCAH):
    - Procurement and State of Goods:
    - WCAH solicits contributions such as frozen food, pharmaceutical products, and infant formula from manufacturing corporations. Many of these items are close to or past their expiration dates, which raises concerns about their usability and legal distribution.
  - Usage and Distribution:
    - The organization claims to provide humanitarian assistance to Romanian orphans but actually transfers the donated inventory to other 501(c)(3) organizations, which may further transfer them. There's no direct evidence provided that the goods reach the intended beneficiaries (Romanian orphans) or are used effectively.
  - Outcomes and Compliance Issues:
    - The primary issues highlighted include the lack of direct assistance to the stated beneficiaries and potential misuse of donations for personal gain. The example raises concerns about private benefits and the possibility of inurement, where the financial benefits are diverted to the founder and family members under administrative and fundraising costs.
  - Documentation and Legal Compliance:
    - Although WCAH receives compliance statements from its donees, the organization's books and records do not confirm that the donated goods are used for exempt purposes as required by law. This discrepancy points to a failure in meeting the necessary conditions for tax-deductible contributions and maintaining exempt status under IRC 501(c)(3).
  - Example of Pharmaceutical Inventory Donation:
    - Pharmaceutical products that are nearing expiration are sometimes donated, though there are laws affecting their legal sale and potential usage.
    - Valuation and Deduction Issues:
      - The donor claimed a tax deduction based on the full retail selling price of the pharmaceuticals. However, due to the imminent expiration dates, the products could not be sold legally at their usual selling price. This discrepancy led to a significant reduction in the allowable deduction.
    - Outcome:
      - The IRS ruling limited the deduction to a much lower amount that reflects the realizable value at the time of donation, emphasizing the importance of accurate valuation and the factual circumstances at the time of the donation.

6

"Everything You Need to Know About In-Kind Donations, No Publisher listed, Jun 8, 2023, No Author listed, No URL listed"

In-kind donations provide crucial non-monetary support to nonprofits, offering goods, services, and expertise that can directly fulfill immediate operational needs. These donations not only aid in resource acquisition without financial expense but also foster deeper community ties and engagement with donors. While financial donations are straightforward, in-kind contributions require careful consideration regarding their relevance and logistical management to ensure they align with the organization's objectives and capabilities. The strategic management of in-kind donations is crucial not just for maximizing their immediate utility but also for integrating these contributions into the broader financial and operational framework of the organization, ensuring long-term sustainability and effectiveness.

- Types of In-Kind Donations:
    - Goods such as computers, food, clothes, and office supplies.
    - Expertise offered for free by professionals in areas like legal or tax advice, event planning services, marketing, IT support.
    - Services, including volunteer work like event setup, printing materials, setting up event spaces, or providing specialized skills (like licensed bartending for fundraising/organizational events.)

- Benefits of In-Kind Donations:
    - Cost Savings: Direct reduction in operational expenses by receiving goods and services without financial expenditure.
    - Service Expansion: Increase service offerings and operational capacity through donated goods and expertise.
    - Community Engagement: Enhances connections with local businesses and community members who donate, fostering long-term relationships.
    - Resource Accessibility: Allows access to high-quality resources and professional expertise that may be financially out of reach.

- Challenges of In-Kind Donations:
    - Relevance: Ensuring that donations align with the nonprofit's current needs. Irrelevant donations can lead to storage and management challenges.
    - Logistical Considerations: Managing large volumes of donated goods can require significant storage space and logistical planning.
    - Value Assessment: Properly assessing and documenting the fair market value of received donations for accurate reporting and acknowledgment.
    - Need for strategic management to integrate in-kind donations effectively into organizational operations.

- Strategic Management:
    - Donation Lists: Nonprofits can publish lists of needed items to guide potential donors toward the most helpful contributions.

- Written Agreements: Formalizing the acceptance and use of significant donations to ensure clarity and mutual understanding.
- Acknowledgment Forms: Providing donors with confirmation of their contributions, which is essential for their tax records and for nonprofit transparency.

- Operational Impact:
    - Enhanced Efficiency: By integrating in-kind donations effectively, nonprofits can streamline operations, reduce costs, and allocate more resources towards primary mission activities.
    - Expanded Capabilities: Access to new tools, technologies, and expertise can enhance service delivery and organizational impact.
    - Proper Accounting: Valuation and inventory for in-kind donations are crucial for accurate financial reporting and organizational transparency.

7

https://www.atlantapublicschools.us/domain/14509

The Kindezi School supports it's tailored educational experience focused on diversity, equity, and critical thinking via donations of "talent, time, and treasure." In-kind donations fall under the category of time on the *Support-Us* page on their website.

- Kindezi Schools actively encourages volunteer participation across their campuses.
- Prospective volunteers can contact the Family and Community Engagement Specialist at their preferred campus via email.
    - Volunteer Opportunities at Kindezi at Gideons Elementary School: Classroom assistance; Booster tutoring; Office support; Library aid; Field trip supervision and transportation; Science lab assistance; Musical support (e.g., violin tuning); Noon and playground supervision; Art program support.
    - Kindezi at Gideons Elementary School emphasizes the critical role of volunteers in enhancing the educational experience and operational effectiveness.
    - The school invites parents, grandparents, and community members to actively participate in various school activities, helping to positively impact student behavior and engagement.
    - Volunteering opportunities are diverse, ranging from classroom assistance and library support to involvement in PTA and Local School Council meetings, which are integral to the school's pursuit of excellence.

    - Volunteer Contributions:
        - Volunteers, including parents and community members, significantly enhance student behavior and school involvement.
    - Volunteer Opportunities:
        - Available roles include classroom support, tutoring, office assistance, library work, event organization, supervision duties, and specialized tasks like musical assistance.

  - Volunteer Regulations:
    - The Atlanta Public Schools (APS) require all volunteers, especially those engaging in unsupervised activities with students (level 3), to undergo a background check and fingerprinting, the cost of which may be covered by the volunteer or the school/PTA.
  - Mandated Reporter Training:
    - All volunteers are mandated reporters and must complete training on recognizing and reporting child abuse.
  - Volunteer Verification:
    - Volunteers must provide a state-issued photo ID, and for those involved in level 2 activities, a check against the Georgia and federal sex offender registries is mandatory.
  - Record Keeping:
    - Schools maintain detailed records of volunteer forms and IDs to ensure compliance and safety.
    - These guidelines ensure that volunteers are properly vetted and trained, contributing effectively to the school's environment and student success under safe and regulated conditions.
- Related insight:
  - Volunteer hours are considered a form of in-kind donation
  - Volunteers help organizations achieve goals without incurring the costs typically associated with hiring someone to perform those tasks.
  - They are also significant for showing community involvement and support in annual reports and grant applications.

8

"Volunteering & Corporate Engagement, The Knowledge House, 2024, No author listed, https://www.theknowledgehouse.org/volunteer/"

The Knowledge House (TKH) leverages the skills and expertise of volunteers from the tech industry to support their mission of empowering young technologists and fostering a diverse talent pipeline. Volunteers engage in a variety of activities ranging from professional development to technical support, enhancing the educational experience of TKH fellows. Corporate entities also play a significant role, offering sponsorship and volunteer opportunities through the Friends in Tech - Volunteer Initiative Program (VIP), which helps meet the technological and financial needs of the fellows.

- Volunteer Contributions:
  - Professional development, mentoring, interview preparation, study sessions, whiteboarding, coding challenges.
- Volunteer Opportunities:
  - Web development, mock interviews, curriculum creation, guest speaking, leading workshops, curriculum review, technical review, special events like hackathons; Fellow Mentorships; Tech Advisory Board.
- Corporate Involvement:

  - Brand recognition, volunteering engagements, access to thought-leadership events, speaking opportunities, cohort naming rights.
- Impact of Volunteer Efforts:
  - Enhanced career and technical development for fellows, cultivation of talent, participation in enriching work experiences.
- Volunteer Statistics:
  - Bloomberg x TKH hackathon with 70+ volunteers; Cloudinary hosts monthly office hours; Ernst & Young conducted 120 hours of mock interviews with 60 volunteers over 2 days; a total of 560 tutoring hours and 20 hours of speaking and classroom engagement.
- Benefits of Volunteering:
  - Demonstrates corporate DEI commitment, enhances employee leadership development and retention, helps recruit diverse tech talent.
- Mentorship Impact:
  - Mentors provide essential support through advice, coaching, and relationship-building, significantly impacting the careers and lives of the fellows.
- Corporate Partnerships:
  - Companies like Bloomberg provide substantial support through tutoring, mock interviews, and collaborative projects.

9

"Everything You Need to Know About In-Kind Donations, Candid, Jun 8, 2023, No Author listed, No URL listed."

Candid's resource page on in-kind donations outlines the importance and utility of non-cash contributions such as goods, services, and expertise to nonprofit organizations. These donations are particularly valuable as they directly address specific operational needs of nonprofits, enhancing their capacity to serve and reducing direct costs. The page also provides guidance on how to source these donations, particularly from corporations that are increasingly favoring in-kind over cash donations, and how to integrate them effectively within organizational strategies. Additionally, it includes tips on managing these contributions, recognizing their monetary value for accounting purposes, and navigating the challenges of non-cash donations for tax reporting.

- Types of In-Kind Donations: Goods (computers, office equipment), services (meeting space, administrative support), expertise (legal, tax advice), and cash equivalents (stocks, bonds).
- Sources of In-Kind Donations: Primarily from corporations, with a growing preference for providing non-cash rather than cash support.
- Strategies for Sourcing In-Kind Donations: Engaging local businesses, approaching corporate headquarters, and utilizing platforms like Foundation Directory and TechSoup.
- Handling and Accounting for In-Kind Donations: Must be recorded at their fair market value on financial statements and require specific tax handling.
- Tools and Resources: Candid offers various resources such as the Foundation Directory for finding in-kind gift opportunities and platforms like TechSoup for tech-related in-kind support.

- Volunteer Opportunities and Corporate Engagement: The page suggests using in-kind support to foster long-term collaborations with donors, potentially leading to further support.

- Volunteer Opportunities Listed in the Format "x; y; z":
  - Professional development; Mentoring; Interview preparation; Technical support (study sessions, whiteboarding, coding challenges).

10

“Tech Bridge In-Kind Donation Details, Tech Bridge, No date provided, No author listed, https://techbridge.org/take-action/give/auction-donations/

Tech Bridge actively encourages the donation of specific items that have historically performed well in auctions to further its mission. These items, which include event tickets, high-quality wines or liquors, vacation stays, and gift cards to local restaurants, are auctioned off throughout the year. The proceeds from these auctions support Tech Bridge’s ongoing efforts to create sustainable pathways out of poverty. Additionally, Tech Bridge utilizes the DonorExpress™ platform, which is employed by manufacturers to donate surplus goods online, benefiting both the donors through tax deductions and tech Bridge through the proceeds received.

- Types of In-Kind Donations Accepted:
  - Event tickets, bottles of wine or liquor, vacation home stays, and gift cards to local restaurants.
- Auction Utilization:
  - Donated items are auctioned throughout the year to raise funds for the organization’s mission.
- DonorExpress™ Platform Usage:
  - Used by manufacturers to donate surplus goods.
  - Provides tax benefits to donors and financial gains for Tech Bridge.
- DonorExpress™ Impact:
- Total Pounds of Food Delivered Since Inception: 2,659,554,732 pounds.
- Pounds of Food Delivered in 2021: 182,206,461 pounds.
- Total Pounds Donated by Online Donors in 2018: 156,295,654 pounds.

Best Practice Research - Corporate Giving SOP

- Purpose: To define the approach for engaging with corporate donors, including the solicitation of gifts, sponsorship opportunities, and partnership development.
- Process: Outlines strategies for identifying potential corporate partners, engaging them through tailored proposals, and managing corporate contributions and sponsorships in a manner that benefits both [redacted] and the corporate partner.
- Outcome: Strengthened corporate partnerships that support [redacted] mission, provide mutual value, and enhance the organization’s ability to serve its community through increased funding and resources.

1

"Corporate Philanthropy: The Secret to Maximizing Your Impact," Aly Sterling Philanthropy, 2023, Aly Sterling Philanthropy, https://alysterling.com/corporate-philanthropy-guide/.

This article provides a comprehensive overview of corporate philanthropy, including its definition, benefits, and various types of philanthropic activities businesses can engage in. It emphasizes that corporate philanthropy not only aids the community but also significantly benefits corporations by enhancing their reputation, fostering customer retention, and promoting employee engagement. The post also differentiates between corporate philanthropy and corporate social responsibility (CSR), underlining that corporate philanthropy is a voluntary effort by businesses to improve societal welfare, which includes financial donations, in-kind gifts, and organizing volunteer activities for employees.

- In 2023, corporations contributed $21.08 billion to nonprofits, a 3.4% increase since 2021, underscoring the growing role of businesses in societal welfare.

- By investing in philanthropic programs, companies can delve deeper into their social purpose, leveraging donations, volunteer time, and goods to support various causes and partnerships, which are voluntary and driven by a commitment to community welfare.

- Benefits for Businesses:
  - Enhances company reputation
  - Boosts customer and employee retention
  - Opens new audience engagement avenues
- Forms of Philanthropy:
  - Financial donations
  - In-kind gifts
  - Employee volunteerism
- Corporate Philanthropy vs. CSR:
  - Corporate philanthropy is a component of a broader Corporate Social Responsibility (CSR) strategy, focusing on external efforts to foster societal improvement.
- Key philanthropic initiatives:
  - Matching gifts
  - Volunteer grants
  - Corporate sponsorships
  - In-kind donations
  - Employee grant stipends
- Impact:
  - Improved employee engagement
  - Heightened consumer loyalty
  - Enhanced company visibility
  - Positive brand image
  - Reflects a deep commitment to societal welfare beyond profit-making

2

A Quick Guide to Corporate Philanthropy for Nonprofits, Convergent Nonprofit Solutions, Adam Weinger, https://www.convergentnonprofit.com/blog/a-quick-guide-to-corporate-philanthropy-for-nonprofits/

This quick guide from Convergent Nonprofit Solutions, authored by Adam Weinger, presents an introduction to corporate philanthropy for nonprofits, emphasizing its significance as a fundraising strategy. It outlines the basics of corporate philanthropy, its benefits, and provides a step-by-step approach for nonprofits to secure corporate gifts. The guide aims to equip nonprofits with the knowledge to tap into corporate philanthropy effectively, highlighting the potential for enhanced community engagement and increased fundraising revenue.

- Corporate Philanthropy Non-Profit Donation Methods:
    - Matching gift programs
    - Volunteer grants
    - Internal fundraising campaigns
    - In-kind donations.
- Benefits of Corporate Philanthropy:
    - Annually, corporations donate $20-$26 billion to nonprofits, with 77 million Americans volunteering their time.
    - Corporate philanthropy not only raises awareness and funds for nonprofits but also benefits corporations by boosting employee engagement and enhancing their reputation.
- Securing Corporate Gifts:
    - Educate existing supporters about their employers' corporate philanthropy programs to maximize their impact.
    - Identify potential corporate partners within the nonprofit's network and research their philanthropy efforts and mission alignment.
    - Promote involvement opportunities on the nonprofit's website and leverage channels like the Google Ad Grant to increase visibility.
    - Position appeals as seeking long-term support rather than one-time gifts, highlighting mutual benefits to foster a lasting partnership.
    - Suggest various involvement levels through corporate sponsorships to engage both large and small businesses effectively.
- There is a benefit to utilizing tools like 360MatchPro for automating the identification and management of match-eligible donors.

3

"Navigating Corporate Philanthropy: A Nonprofit Playbook", Double the Donation, 2009-2024, https://doublethedonation.com/corporate-philanthropy-guide/
Corporate philanthropy, as defined by Double the Donation, involves corporations promoting the welfare of others through charitable donations of funds or time, creating positive outcomes for

employees, companies, and nonprofits alike. This strategy encourages a positive work environment, enhances public image, and strengthens consumer relations by aligning corporate goals with community betterment. Businesses engaged in corporate philanthropy benefit from improved employee engagement and retention, a bolstered public image, and stronger customer loyalty, while nonprofits gain essential support to further their missions.

Key Points:

- Double the Donation's platform offers tools to streamline participation in corporate philanthropy
    - A comprehensive database of corporate giving programs
    - Auto-submission functionality for matching gifts
- Corporate Philanthropy Programs:
    - Matching gifts
    - Volunteer grants
    - Corporate sponsorships
    - In-kind donations
- Benefits for Nonprofits:
    - Funding: Over $21 billion to nonprofits last year
    - Employee volunteerism
    - In-kind services
- Benefits for Businesses and Employees:
    - Improved employee morale
    - Brand reputation
    - Customer loyalty.
    - Employee sense of purpose and job satisfaction
    - Positive company culture.
- Corporate Philanthropy vs. CSR:
    - Corporate philanthropy focuses on specific acts to promote social good.
    - CSR encompasses a wide range of practices aimed at improving society, including environmental sustainability and ethical business practices.
- Workplace Giving:
    - Involves employees directly in charitable activities
    - Donation matching
    - Volunteer programs

4

"Best Practices in Philanthropy from 8 Experts [Innovative Giving Part 2]", Submittable, 02/11/2021, Rachel Mindell, https://blog.submittable.com/philanthropy-best-practices/

In the wake of 2020's global and social upheavals, philanthropy experts have spotlighted the need for grantmakers to adopt more flexible, equitable, and impactful practices. These changes include offering multi-year grants, focusing on racial equity, and embracing trust-based principles to reduce grantee burden and foster deeper community partnerships. By integrating these approaches, funders can significantly enhance their support for nonprofits, enabling these organizations to innovate, respond to crises more effectively, and drive sustainable change in their communities.

Key Points:

- Multi-Year Grants and Capacity Building:
  - Grantmakers are encouraged to provide multi-year, general operating grants to give nonprofits stability and the ability to innovate and respond to community needs rapidly.
- Racial Equity and Inclusivity:
  - Funders are urged to use all their resources, not just 5%, to dismantle structural racism by funding organizations that mirror the communities they serve and by ensuring their staff and governance reflect these communities.
- Trust-Based Philanthropy:
  - This approach centers on trusting nonprofits as experts, reducing bureaucratic processes, and fostering genuine partnerships for more substantial impact.
- Community Partnerships:
  - Building relationships with grassroots and BIPOC-led organizations to direct funds efficiently and support those with deep community trust and insights.
- Streamlined Grant Management:
  - Simplifying application and reporting processes to lessen the administrative burden on nonprofits, allowing them to focus more on their mission-critical work.
- Intersectionality and Disability Focus:
  - Encouraging funders to consider the intersectional identities of those they serve, particularly highlighting the importance of supporting persons with disabilities.
- Reducing Administrative Burden:
  - Continual efforts to simplify grant applications and reporting requirements to conserve nonprofits' resources for their core work.

These best practices not only aim to make philanthropy more effective and responsive but also to ensure that it contributes to building a fairer, more equitable society.

5

TechBridge: Become a Sponsor, TechBridge, https://techbridge.org/take-action/become-a-sponsor/

TechBridge offers diverse sponsorship opportunities to organizations and companies eager to play a pivotal role in eradicating generational poverty. Sponsors can engage in various events which facilitate networking and highlight the impact of TechBridge's work in hunger relief, homeless support, social justice, and workforce development. These sponsorships not only provide visibility and networking opportunities but also directly support TechBridge's services and programs, changing lives through technology education and employment.

- Events:
  - CXO Alliance series
  - Tech the Halls VIP Holiday Digital Cocktail® Party
  - Tee IT Up for TechBridge Golf Tournament

- Previous Sponsors:
  - - Accenture
  - - UST
  - - CDW
  - - Equifax
  - - Graphic Packaging
  - - 3Ci
  - - Ernst & Young (EY)
  - - Google Cloud
  - - Insight
  - - Microsoft
  - - RAAH Technologies
  - - Verizon
  - - BakerHostetler
  - - Bitwise
  - - Capgemini
  - - Converge Technology Solutions
  - - Datum Innovations
  - - Dell Technologies
  - - Elevance Health
  - - ERP Implementation & Consulting Group (ERPICG)
  - - ETS Solutions
  - - Federal Home Loan Bank Atlanta
  - - FPT Software
  - - Global Payments
  - - Hylaine
  - - IBM
  - - Insight Global
  - - Moveworks
  - - Needling Worldwide
  - - NTT Data
  - - PricewaterhouseCoopers (PWC)
  - - Schellman Compliance
  - - Sparq Holdings
  - - Tech Mahindra
  - - FastTek Global
  - - Society for Information Management (SIM) Atlanta
  - - Smith + Howard
  - - Tata Consultancy Services
  - - Atlanta Police Foundation
  - - City of Refuge Atlanta
  - - Goodwill Industries International
  - - Hope Atlanta
  - - Insight Global
  - - International Rescue Committee (IRC)

- - Multi-Agency Alliance for Children (MAAC)
- - Macy's Inc.
- - OneTen
- - Sam's Club
- - ServiceNow
- - United Way of Greater Atlanta
- - Urban League of Greater Atlanta
- - Westside Works powered by CareerRise

6

Per Scholas: Donor Privacy Policy, Per Scholas. 12/9/2021. https://perscholas.org/wp-content/uploads/2021/12/Per-Scholas-Donor-Privacy-Policy-12-9-2021.pdf

Per Scholas: Frequently Asked Questions. Per Scholas. https://perscholas.org/donor-frequently-asked-questions/.

Per Scholas: Partners-Supporters. https://perscholas.org/about-per-scholas/partners-supporters/

Per Scholas forms strategic partnerships with corporations to bolster its mission of offering free tech education to underserved communities, leveraging both financial contributions and in-kind support. These collaborations are crucial, enriching the program with resources, volunteer efforts, and employment opportunities for graduates. This network of partnerships plays a vital role in advancing tech education and workforce development, targeting the eradication of generational poverty across the nation.

- Financial Support:
  - Corporations contribute donations that support the organization's training programs, helping to cover costs associated with curriculum development, instructor salaries, and student resources.
- In-Kind Donations:
  - Beyond cash donations, companies may provide technology hardware, software licenses, and other essential learning materials that enhance the training experience for students.
- Mentorship and Volunteering:
  - Employees from partner corporations often volunteer their time to mentor Per Scholas students, providing them with valuable industry insights, career advice, and personal development guidance.
- Hiring Partnerships:
  - Perhaps one of the most impactful aspects of corporate philanthropy for Per Scholas involves the commitment from some corporations to interview and potentially hire graduates of the program, thereby directly contributing to the students' career advancement.
- Curriculum Development Support:

  - Some corporate partners collaborate with Per Scholas to develop and refine training curriculums, ensuring that the skills taught are in line with current industry needs and technologies.
- Sustainability:
  - Corporate donations and support help ensure the sustainability of Per Scholas' programs, allowing the organization to plan for the future and expand its offerings.
- Employment Opportunities:
  - Through hiring partnerships, corporations provide direct career opportunities to Per Scholas graduates, significantly impacting their economic mobility and professional growth.
- Enhanced Training:
  - Collaboration with corporate partners allows Per Scholas to continuously update and enhance its training programs, keeping pace with technological advancements and market demands.

- Per Scholas cultivates meaningful partnerships with a diverse range of entities, including corporations, foundations, and government bodies, to advance social change and economic sustainability. Their partnerships span various levels of engagement and support.

Foundation and Government Partners:

- Foundation and Government Founders Circle Partners: 12
- Champion Partners: 12
- Catalyst Partners: 14
- Signature Partners: 27
- Spark Partners: 19
- Major Partners: 18
- Opportunity Partners: 30

- Founders Circle:
  - Ascendium Education Group
  - Ballmer Group
  - Blue Meridian Partners
  - Focusing Philanthropy
  - Franklin County Board of Commissioners
  - The Harry and Jeanette Weinberg Foundation
  - Ian Schaad and Ina Kim-Schaad
  - Lever for Change
  - Richard and Jacqueline Emmet
  - Robert Anthony Granieri
  - Robin Hood

- Champion Partners:
  - Arnold Ventures
  - Atalanta Project - Black Family Philanthropies
  - Charles Koch Foundation
  - Commonwealth Corporation
  - Communities Foundation of Texas
  - Consortium for Worker Education
  - Goodwill of Central and Southern Indiana
  - Lilly Endowment Inc.
  - New York City Council
  - Philadelphia Authority for Industrial Development
  - Robin Hood
  - Tiger Foundation

- Catalyst Partners:
  - Adam and Abigail Winkel
  - Annie E. Casey Foundation
  - City of Dallas
  - The Clark Foundation
  - Empire State Development
  - Henry L. Hillman Foundation
  - The Kemper Foundation
  - New York State Department of Labor
  - Patrick J. McGovern Foundation
  - Ralph C. Wilson, Jr. Foundation
  - Raz and Hana Tirosh
  - Red Nose Day Fund at Comic Relief
  - Wilson Sheehan Foundation
  - Zgaljic Family

- Signature Partners:
  - Anna-Maria & Stephen Kellen Foundation
  - The Bellwether Foundation
  - The Charles Hayden Foundation
  - City of Boston's Neighborhood Jobs Trust
  - City of Cincinnati
  - Cradle to Career at The Boston Foundation
  - Craig DeLucia
  - Detroit Employment Solutions
  - The Eleanor Schwartz Charitable Foundation
  - Foundation for California Community Colleges
  - Francine A. LeFrak Foundation
  - GreenLight Fund Boston
  - Ira W. De Camp Foundation
  - The Jeffrey H. and Shari L. Aronson Family Foundation
  - The Kulynych Family Foundation II, Inc.

  - Lenfest Foundation
  - The Leonard G. Herring Family Foundation
  - Llewellyn Family Foundation
  - New York City Workforce Development Fund in The New York Community Trust
  - Nina Mason Pulliam Charitable Trust
  - The Pinkerton Foundation
  - Richard King Mellon Foundation
  - Stand Together Foundation
  - Steven & Alexandra Cohen Foundation
  - Upper Manhattan Empowerment Zone Development Corporation
  - Wilf Family Foundations

- Spark Partners:
  - 1Philadelphia
  - Altman Foundation
  - Boston's Mayor's Office of Workforce Development
  - Boys & Girls Club of Western Pennsylvania
  - Community Foundation of Greater Atlanta
  - Donald A. Pels Charitable Trust
  - The Hagedorn Fund
  - Ira W. De Camp Foundation
  - The Lawrence Foundation
  - Linde Family Foundation at Mott Philanthropic
  - Montgomery County Government
  - Pittsburgh Foundation
  - Rainwater Charitable Foundation
  - St. Louis County Port Authority
  - The Thomas and Jeanne Elmezzi Private Foundation
  - UJA Federation of New York
  - United Way of Metropolitan Dallas
  - United Way for Southeastern Michigan
  - Upwork
  - Year Up

- Major Partners:
  - Andreessen Horowitz Cultural Leadership Fund
  - Arizona Public Service Company
  - Arman N Roy Foundation
  - The Baltimore Community Foundation
  - Barker Welfare Foundation
  - Bell Charitable Foundation
  - Connelly Foundation
  - France-Merrick Foundation
  - Goodwill of North Georgia
  - Jean Hill and Larry Schultis

- Plymouth Rock Assurance Foundation
- Richard E. & Nancy P. Marriott Foundation
- Smart Family Fund
- Stainman Family Foundation
- State of Maryland-Department of Human Services
- Staten Island Foundation
- Sunny and Abe Rosenberg Foundation

- Opportunity Partners:
  - A.C. Ratshesky Foundation
  - Ami Ariel
  - The Arthur M. Blank Family Foundation
  - Byron and Alice Lockwood Foundation
  - Charles Song
  - CityLink Center
  - The Daniel and Susan Pfau Foundation
  - David Hannigan
  - Derek Braddock
  - Dirk Manelski
  - Elsa Heisel Sule Foundation
  - Eugene Holtzman
  - Glaser Foundation
  - Greater Washington Community Foundation
  - The Harry A. and Margaret D. Towsley Foundation
  - Holloway Family Foundation
  - Ian Shrank
  - Ingram-White Castle Foundation
  - J.C. Lapierre
  - Josh Lieberman
  - JobsFirstNYC
  - John A. Schroth Family Charitable Trust
  - Michael Sullivan
  - New York City Council 8th District Member Diana Ayala
  - New York City Council 36th District Member Chi Ossé
  - The Norcliffe Foundation
  - Patrick Kaifosh
  - Richard Barna
  - Siemer Family Foundation
  - The Starry Night Fund
  - Urban League Of Philadelphia
  - Valley of the Sun United Way

Annual Partnerships, The Knowledge House, 2024, https://www.theknowledgehouse.org/

The Knowledge House (TKH) provides transformative technology education to young Black and Brown individuals in NYC, Newark, Atlanta, and LA, aiming to secure them well-paying jobs and advance careers. Through annual corporate partnerships, TKH seeks support to expand its free tech education programs, offering various partnership levels with benefits ranging from event tickets to talent acquisition opportunities.

- Premier Partner ($250,000+)
  - Be a Presenting Sponsor at TKH Annual Event
  - 25 event tickets
  - Partnership opportunities for product development
- Expansion Partner ($100,000+):
  - 20 tickets to TKH's Annual Event
  - Onsite curated talent acquisition experience.
- Innovation Partner ($50,000+):
  - 10 tickets to TKH's Annual Event
  - Opportunity for a company info-session with TKH fellows and alumni.
- Pipeline Partner ($25,000+):
  - 5 tickets to TKH's Annual Event
  - An exclusive invitation to TKH's Corporate Partners Celebration.
- Volunteer Partner ($10,000+):
  - 2 tickets to TKH's Annual Event
  - Opportunities for company Employee Resource Group-led volunteer engagement.
- Talent Partner ($5,000+):
  - 1 ticket to TKH's Annual Event
  - Access to fellows' resume books
  - Participation in TKH's Job Fair.

8

"Make A Donation," Atlanta Women's Foundation, 2024, https://www.atlantawomen.org/make-a-donation/

The Atlanta Women's Foundation (AWF) focuses on empowering economically vulnerable women and girls in metro Atlanta through funding and support to local nonprofits. AWF enhances access to essential services like education, healthcare, and job training, aiming to overcome systemic barriers. It employs a collective impact approach in grantmaking to maximize benefits for copious beneficiaries, supporting comprehensive service delivery and organizational capacity building.

- 2022 Annual Partnerships raised: $250,000+ for premier partners.
- Service areas: Clayton, Cobb, DeKalb, Fulton, Gwinnett counties.
- Key initiatives: Economic empowerment, mental health, workforce development.
- Community impact programs: Inspire Atlanta and Women on Board, enhancing leadership and philanthropy among women.

9

"Ways to Give," College Possible, 2024, [https://collegepossible.org/get-involved/ways-to-give/]
College Possible supports educational equity through programs like matching gifts and workplace giving, enhancing the impact of donations.

- Matching Gifts:
  - College Possible participates in workplace giving programs through platforms like United Way, enabling donors to designate their gifts directly through payroll systems.
  - This organization offers employer matching programs to double donations, including those from retirees, spouses, and board members.
- Workplace Giving
  - College Possible accepts donations through employer-led giving programs.
  - Guidance is offered for designating gifts.

10

"Donate Now," Breakthrough Collaborative, 2023,
[https://www.breakthroughcollaborative.org/donate-now/

Breakthrough Collaborative funds educational support initiatives for low-income students via donor pledges, planned giving, donor advised funds, stock transfer, corporate and foundation giving, and employee matching.

- Matching Gifts:
  - Breakthrough Collaborative offers employer matching opportunities.
    - Workers are encouraged to contact the corporate responsibility or human resources department/officer for the form or link for the matching gift opportunity.
- Corporate and Foundation Giving
  - Breakthrough Collaborative accepts organizational donations.
    - The main organization website directs potential corporate and foundation supporters to an e-mail address to make their contributions.

11

What Do We Know About Corporate Philanthropy? A Review and Research Directions**, No Publisher listed, 2021, Cha et al., https://onlinelibrary.wiley.com/doi/10.1111/beer.12341
This article provides an extensive synthesis of research on corporate philanthropy, examining its evolution, impact, future directions, and role within corporate social responsibility (CSR). The review covers over six decades of corporate philanthropy’s expanding influence since the 1950s drawn from 228 sources, including journal articles, dissertations, and books. The research consulted shows the importance of leveraging philanthropic activities to support business objectives, creating a symbiotic relationship between corporate success and community well-being.

- Individual leadership values and broader corporate strategies are pivotal in shaping a firm's approach to philanthropy.

- Corporate philanthropy is shaped significantly by leadership characteristics, external economic conditions, and the strategic use of philanthropy in response to regulatory environments and market uncertainties.
- Corporate philanthropy has evolved into a strategic component of corporate social responsibility with impacts on brand loyalty, employee satisfaction, and stakeholder relations.
- Global Impact:
    - In 2017, corporate giving topped $20 billion (source: the Giving USA Foundation.)
- Strategic Implementation:
    - Companies improve competitive advantage by integrating philanthropy with marketing, R&D, and human resources to advance business interests while also benefiting the community.
    - Corporations enhance their brand image and identity, aligning charitable activities with brand values to increase customer loyalty and brand preference.
    - Organizations boost sales and reputation by demonstrating social responsibility in cause-related campaigns, which donate a portion of the revenue from specific products to relevant causes.
- Beneficial Research and Development (R&D) Philanthropy:
    - Environmentally sustainable technologies.
    - Healthcare solutions.
    - Technological innovation.
    - Can lead to partnerships with academic institutions and other research organizations.
- Human Resources:
    - Improves employee satisfaction and retention.
    - Provides employees with opportunities to volunteer.
    - Enhances job satisfaction and loyalty.
    - Attracts talent, particularly individuals who prefer to work for companies that demonstrate a commitment to societal issues (including millennials.)
- CEO Impact:
    - CEOs often exert considerable influence over their companies' philanthropic decisions.
    - Their personal values, priorities, and ethical considerations play a crucial role in shaping corporate giving practices.
    - This influence is particularly pronounced in public companies, where CEOs actively engage in defining and directing philanthropic efforts.
    - Corporate philanthropy is viewed by CEOs as a strategic tool essential for business legitimization, seen as a prerequisite of leadership that helps to align business operations with societal expectations.
- Board and Management Roles:
    - The composition and diversity of a company's board also impact the extent and nature of philanthropic activities.
    - Companies with a diverse board—including a significant presence of women and insiders—are more likely to engage in philanthropy.
    - Moreover, the values of top management teams, particularly their benevolence and integrity, significantly influence corporate philanthropic behavior.

- Factors Influencing Corporate Philanthropy Levels (summary of studies cited in literature review):
  - Firms with women directors and/or leadership on boards tend to engage more in philanthropic activities.
  - CEOs with philanthropic identity or political connections also significantly drive corporate philanthropic behaviors.
  - Community engagement activities are positively correlated with higher philanthropic spending, especially when CEOs are involved in community development programs.
  - Regulatory and market uncertainties can increase both the likelihood and the amount of corporate giving, especially when firms have political ties that can reduce the impact of these uncertainties.
  - At least in one study, the business cycle was not shown to significantly affect corporate philanthropy, indicating that charitable activities can be resilient to economic downturns.
  - Industry factors like industry religion show that institutional factors influence strategic philanthropy, but company size and profitability do not significantly affect it.
  - Economic downturns have mixed effects, with some foundations reducing support, whereas others, particularly those sponsored by consumer-oriented firms, might even increase their contributions during economic slowdowns.
- Upper Echelons Theory (UET).
  - UET posits that the background characteristics, experiences, values, and personalities of top executives (the “upper echelons”) shape their affect corporate strategies, decisions, and outcomes, thereby influencing organizational outcomes.
  - This implies that executives' personal and professional backgrounds influence the philanthropic direction of the organization.

<u>Best Practice Research – Planned Giving (Bequests)</u>

- Purpose: To establish structured processes for managing and promoting planned gifts and bequests, enabling donors to contribute to Academy of Hope's ([redacted] long-term sustainability and impact through their estate planning.
- Process: This SOP outlines the procedures for engaging with potential donors about planned giving options, documenting and recognizing these commitments, and ensuring that the organization is prepared to honor the future intentions of donors. It includes guidelines for conversations around planned gifts, the legal and financial considerations to be communicated, and the stewardship of these donors.
- Outcome: Strengthened financial foundation for [redacted] through increased awareness and acceptance of planned gifts and bequests. This SOP ensures that donors feel valued and understood in their desire to leave a lasting legacy, ultimately leading to a more sustainable future for the organization and its mission.

1

"Planned Giving Best Practices: A Benchmarking Study, PG Calc, December 19, 2013, Jeff Lydenberg and Ann McPherson"

This article provides a comprehensive overview of planned giving strategies across various sectors, predominantly focusing on educational institutions. The study was aimed at benchmarking best practices by surveying a broad spectrum of organizations to ascertain the characteristics and strategies that lead to the most successful planned giving programs. It also explored how these organizations structure their planned giving programs in terms of staffing, budget, marketing, and integration with other fundraising activities. This detailed examination from the study provides valuable insights into the critical factors that influence the success of planned giving programs, highlighting the importance of strategic planning, specialized staffing, and modern marketing techniques in the field of fundraising.

- Survey Coverage and Response:
    - The survey included 495 respondents representing a broad cross-section of nonprofit sectors, with educational institutions constituting over half of the participants.
    - This broad participation provides a well-rounded view of the state of planned giving across different organizational types.
- Age of Organization vs. Planned Giving Success:
    - The study found that older institutions are more likely to have established successful planned giving programs.
    - For instance, institutions over 100 years old represented the majority of the top performers in planned giving.
- Marketing Techniques:
    - There's a shifting trend in how organizations reach potential donors, with a noted increase in digital marketing efforts aimed at planned giving.
    - Traditional methods like newsletters and direct mail are being supplemented or replaced by digital communications.
- Staffing Insights:
    - Larger organizations tend to dedicate more staff to planned giving, correlating with greater success in securing planned gifts.
    - The study highlights the importance of dedicated personnel to manage and promote planned giving effectively.
- Integration with Major Gifts:
    - A significant trend noted in the study is the integration of planned giving responsibilities with major gift roles.
    - Organizations are increasingly adopting a holistic approach to donor management by training their major gift officers in planned giving techniques.
- Use of Metrics:
    - Successful programs are more likely to employ specific metrics to measure the performance of planned giving initiatives, indicating a strategic approach to tracking and enhancing fundraising efforts.
- Sector-Specific Trends:
    - While educational institutions lead in many aspects of planned giving, healthcare and arts organizations are also developing strong programs, illustrating the versatility and adaptability of planned giving strategies across different contexts.

2

"Planned Giving Best Practices: A Benchmarking Study," PG Calc, December 19, 2013, Jeff Lydenberg and Ann McPherson, https://www.pgcalc.com/sites/default/files/outline2347_0.pdf

This study conducted by PG Calc delves into planned giving best practices through a survey distributed to clients with active planned giving programs. The survey covered various dimensions such as relationship management, staff and budget, and the performance of planned versus outright gifts, gathering responses from 495 organizations. The findings challenge several prevailing beliefs about planned giving strategies and underscore the diverse practices across different sectors, particularly highlighting the significant role of educational institutions.

- Response and Demographics:
    - The survey achieved a 23% response rate from 2,200 individuals across 310 organizations.
    - A significant portion of respondents (56%) were from colleges and universities.
- Program Duration and Effectiveness:
    - Organizations with a longer history tend to have more robust planned giving programs, with 59% existing for over 100 years.
- Industry Impact on Planned Giving:
    - Despite variations across different sectors, the study found little discrepancy in planned giving achievements between educational and non-educational institutions.
- Planned Giving Marketing:
    - Marketing strategies are evolving, with a noted decrease in direct mail and an increase in online engagement.
- Staffing and Budget Correlations:
    - Higher planned gift dollars are correlated with larger development staff sizes and higher budgets.
- Integration of Planned and Major Gifts:
    - Organizations often blend roles or encourage integration between planned and major gift officers to optimize fundraising efforts.
- Metrics and Performance:
    - The use of planned giving metrics for non-specialist fundraisers correlates with higher amounts of planned gifts realized.

3

"The 2016 Planned Giving Study, Building Lasting Legacies: New Insights from Data on Planned Gifts," Indiana University Lilly Family School of Philanthropy, September 2016.

This publication provides insight into the dynamics and characteristics of planned giving within the context of higher education, particularly how donor demographics and behaviors influence the structure and timing of their contributions. It elaborates on planned giving through various detailed findings from the analysis of data across the five case-study universities. The data highlights how planned giving strategies can be optimized by understanding these factors, especially in terms of engaging with and recognizing donors through legacy societies. The conclusions emphasize the need for targeted engagement strategies, understanding donor demographics, and leveraging legacy societies for enhancing donor relationships and contributions.

- Universities Studied:
  - Five universities, classified as research institutes, including both public and private institutions, with one having multiple campuses.
  - These universities are located across different geographic regions of the U.S.: Midwest, Northeast, South, and West.

- Data Overview:
  - Sample includes information on planned gifts made from 1972 to 2015.
  - The study analyzes 6,200 donors and 7,600 planned gifts with detailed donor profiles and gift data.

- Planned Gifts by Type:
  - Charitable bequests constitute 42% of planned gifts.
  - Charitable gift annuities and trusts (including unitrusts and annuity trusts) are also significant, representing 12% and 11%, respectively.

- Timing of Planned Gifts:
  - Significant activities in planned giving occur in December, capturing 13% of all planned gifts annually.
  - Notable increases in planned gift modifications are observed in March, corresponding to tax season.

- Donor Profile:
  - Predominantly members of the Silent Generation or Baby Boomers.
  - 37% of donors reside in the same state as the university they support.
  - A significant proportion are alumni (77%), predominantly from the 1950s to 1970s graduation years.

- Donor Insights:
  - Donors without children are more likely to make charitable bequests and contribute higher median dollar amounts.
  - The likelihood of making a planned gift spikes after the age of 50.

- Planned Gifts by Type:
  - Charitable bequests are the most common planned giving vehicle, representing 42% of all planned gifts.
  - Charitable gift annuities account for 12% of the gifts, with trusts and unitrusts making up 11%.

- Timing of Planned Gifts:

- The majority of planned gifts are made in December, capturing 31% of all planned gifts in the last quarter.
- March sees the highest rate of changes to planned gifts due to tax season impacts.

- Profile of Planned Giving Donors:
    - Majority are Silent Generation or Baby Boomers, accounting for 54% of donors.
    - 44% of planned giving donors do not have children, which influences the types and amounts of their gifts.
    - Likelihood of making a planned gift increases significantly around the age of 50.
    - Donors are typically around 30 years post-graduation when they start making significant planned gifts.

- A Comprehensive View of the Donor-Institution Relationship:
    - 73% of all planned gift donors are alumni, contributing to 78% of all planned gifts in terms of dollar value.
    - Spouses/parents of alumni and friends of the institution also contribute significantly.

- The Pyramid of Planned Gifts:
    - The 80/20 rule applies, where 82% of the total planned gift amount comes from the top 20% of donors.
    - The top 10% of donors contribute about two-thirds of the total gift amount.

- Multiple Planned Gifts Made to the Same Institution:
    - About 21% of donors make more than one planned gift to the same institution over time.
    - Living in the same state as the university is a strong indicator of multiple gifts.

- Engaging Donors Through Legacy Society Membership:
    - Legacy society members tend to give significantly larger gifts than non-members.
    - Members and non-members share many planned giving characteristics, but members typically place more restrictions on their gifts.

- Implications for Practice:
- Leverage Various Planned Giving Vehicles:
    - Nonprofits should explore diverse planned giving options to match donor preferences, especially as Baby Boomers enter prime giving years.
    - The most common vehicle is the charitable bequest, constituting 42% of all planned gifts.

- Pay Attention to the Donor Pyramid:
    - The 80/20 rule applies, indicating that major donors are crucial for planned giving strategies.
    - Understanding donor profiles can help tailor approaches to major gifts.

- Understand the Donor-Institution Relationship:

- Strong existing relationships, such as those with alumni, are vital as they contribute significantly to planned gifts.
- Engagement strategies should account for various donor backgrounds, including non-alumni.

- Build Meaningful Engagement Through Legacy Societies:
  - Legacy societies play a crucial role in donor recognition and engagement.
  - Opt-out membership strategies in legacy societies have shown to result in higher donation amounts.

- Methodological Notes:
  - The study employed hazard and regression analyses to understand planned giving behavior.
  - Data were adjusted for inflation, and various statistical methods were used to ensure robustness of findings.

- Concluding Remarks:
  - The study highlights the importance of planned giving as a strategic component of fundraising in higher education.
  - It calls for further research to explore emerging questions in planned giving, using robust data to improve practices.

- Future Research Directions:
  - Investigating factors influencing return on investment (ROI) in planned giving programs.
  - Examining demographic impacts, such as gender differences, on planned giving behavior.
  - Exploring the effectiveness of marketing and stewardship strategies related to legacy societies.

4

"Essential Elements of a Successful Planned Giving Program," Wealth Management at Northern Trust, 2018, Katrina Pipasts, Foundation & Institutional Advisors, https://www.northerntrust.com/documents/white-papers/wealth-management/essential-elements-of-a-successful-planned-giving-program.pdf

This article outlines crucial elements for successfully establishing and maintaining a planned giving program. It addresses the roles of various stakeholders in the organization, including board members, staff, and management, and emphasizes the need for well-defined policies, strong donor relationships, and strategic marketing.

- Board Leadership:
  - Board members are expected to lead by example by making their own planned gifts.
  - A culture that values planned gifts is critical and should be fostered by the board.

- Planned Giving Staff:
  - The ideal setup includes a senior development officer overseeing all fundraising aspects, with dedicated staff for planned giving.
  - Skills required include the ability to explain the technical aspects of planned giving and align them with donors' philanthropic goals.

- Strong Relationships with Senior Management:
  - Essential for maintaining best practices and ensuring the gift process is streamlined and effective.
  - Involves educating the organization's finance staff about the benefits and risks of different gift planning vehicles.

- Policies and Procedures:
  - Development and finance staff should develop written policies and guidelines, which need board approval.
  - Policies should detail what types of gifts are acceptable and how more complex or risky gifts are handled.

- Marketing Plans and Materials:
  - Marketing should target both potential and existing donors, informing them about the organization's mission and planned giving opportunities.
  - Utilizes newsletters, seminars, and online marketing to reach and educate donors.

- Networking with Peers and Advisors:
  - Leverage connections with financial planners, attorneys, and other professionals who can facilitate planned giving.
  - Engage with professional affiliations for ongoing support and resources.

- Recordkeeping and Metrics for Success:
  - Maintain confidential and detailed records of donors and prospects to manage relationships effectively and comply with regulatory requirements.
  - Regular audits are recommended to evaluate the performance and strategy of the planned giving program.

- These elements are designed to ensure that a planned giving program is not only compliant with legal and financial standards but also effective in engaging donors and securing long-term benefits for the organization.

5
"How to Launch a Simple Bequest Program," LinkedIn, March 6, 2023, Viken Mikaelian, https://www.plannedgiving.com/how-to-launch-a-simple-bequest-program/

This article presents a straightforward guide on establishing a simple bequest program as a foundational component of planned giving for nonprofits. The focus is on the essential steps needed to create an effective program that will serve as an entry point into more extensive planned giving efforts. This guidance highlights the benefits of a simple bequest program not only in terms of potential income but also in building a foundation for more complex planned giving strategies, thereby securing the nonprofit's financial future and expanding its mission impact.

- Bequest Program Overview:
  - Bequests constitute 92% of all planned gifts due to their simplicity and ease of integration into donor estate plans.
  - Establishing a bequest program signals long-term commitment and operational seriousness to supporters and potential donors.

- Steps to Launching a Bequest Program:
  - Board Engagement:
    - Crucial to initiate with strong support from the board, particularly the chairperson.
    - Board members should be among the first to make a planned gift, setting a precedent for others.
  - Logistics and Policies:
    - Development of clear policies on gift acceptance, endowment handling, and investment strategies to ensure proper management of bequests.
    - Considerations include how to handle restricted gifts, naming rights, and anonymous donations.
  - Identifying Prospects:
    - Key prospects include engaged supporters, repeat donors, individuals over 60, and childless supporters.
    - Effective segmentation of the donor list is crucial for targeted communication.
  - Marketing and Outreach:
    - Strategic marketing plans should involve existing communication channels and new materials specifically designed for educating on bequests.
    - Creation of a legacy case statement distinct from the mission statement to motivate and educate potential donors.
  - Additional Considerations:
    - Legacy gifts can vastly exceed the size of annual donations, often being 200 to 300 times larger.
    - Research indicates that planned giving programs can also boost annual giving.
    - A legacy society can be established to recognize and incentivize donors who commit to making a bequest.

6

"Building a bequest program: 4 simple steps to get started," Bonterra, September 29, 2020, https://www.bonterratech.com/blog/bequest-programs.

This blog provides a detailed guideline on how to establish and enhance a bequest program within a nonprofit organization. The steps outlined aim to help organizations effectively launch and manage bequest programs, which are vital for securing long-term funding and fostering donor legacies. These steps are designed to streamline the process of establishing a bequest program, ensuring compliance, and effectively engaging with potential donor.

- Establishing a Bequest System:
  - Key policies for managing bequests include gift acceptance, conflict of interest, and investment policies.
  - Importance of a team effort led by a planned gifts officer to handle research, marketing, and relationship-building.
- Consulting with the Board:
  - The board's role is critical in networking with prospective legacy donors and approving marketing budgets.
  - Encourages board members to become ambassadors or participants in the bequest program.
- Conducting Planned Giving Prospect Research:
  - Prospect research focuses on wealth markers, affinity markers, and demographics to identify potential donors.
  - Emphasizes the importance of segmenting donors based on engagement levels and specific interests to tailor outreach.
- Marketing the Bequest Program:
  - Suggests branding the program as a "legacy giving program" to emphasize the benefits to donors.
  - Recommends a multi-channel marketing strategy including a dedicated webpage, email newsletters, and direct mail.
  - Personalized outreach to top prospects using preferred communication methods and individual meetings to discuss the program.

7

"Bequest Language," KIPP Foundation, 2024, https://kipp.myplannedgift.org/bequest-language
"My Planned Gift", KIPP Foundation, 2024, https://kipp.myplannedgift.org/

These documents offer a comprehensive guide on crafting bequest language for wills or living trusts, aimed at potential donors of the KIPP Foundation. It highlights the flexibility in bequest designations and the critical role such contributions play in securing the future of students served by KIPP. Detailed information is provided about the types of bequests, the practical tools available for planning such gifts, and the broader context of how these contributions support KIPP's mission.

- Purpose of Bequest Language:
  - Facilitates the creation of legacies that align with donor intentions and the organization's long-term needs.
  - Helps the KIPP Foundation plan for and utilize future gifts effectively.
- Sample Language for Unrestricted and Designated Gifts:

    - Unrestricted Gift: "I give to KIPP Foundation, a nonprofit corporation currently located at 135 Main Street, Suite 1875, San Francisco, CA 94105, or its successor thereto, _________ [written amount or percentage of the estate or description of property] for its unrestricted charitable use and purpose."
    - Designated Gift: "I give to KIPP Foundation, a nonprofit corporation currently located at 135 Main Street, Suite 1875, San Francisco, CA 94105, or its successor thereto, _________ [written amount or percentage of the estate or description of property]. This gift should be used for (state purpose) if and so long as KIPP Foundation determines that the need exists. If KIPP Foundation shall determine at the outset or at a later time that the need does not exist, or no longer exists or for some reason it is not possible (or prudent) to administer my gift as originally intended, then KIPP Foundation may, in its sole and uncontrolled discretion, direct the use of my bequest for a purpose related as closely as possible to that stated above."
- Supporting Future Goals and Programs:
    - Donations support KIPP's mission to prepare students with skills and confidence for their future paths.
    - Planned gifts are crucial for KIPP’s financial sustainability and ability to impact future generations.
- Giving Options and Personalization:
    - Offers various giving levels, from under $25,000 to $1 million or more, accommodating different donor capacities.
    - Potential gifts include cash, appreciated securities, retirement plan assets, life insurance, real estate, and donor-advised funds.
- Tools and Resources for Donors:
    - Personal Estate Planning Kit available for download to organize and optimize estate plans.
    - Gift Illustrator tool to personalize how different gifts can support both KIPP and the donor’s financial goals.
    - Free resources to secure futures for loved ones and causes, ensuring informed decision-making.
- Communication and Outreach:
    - Encourages donors to contact KIPP’s planned giving team for confidential, no-obligation discussions about potential bequests.
    - Active engagement through multiple channels including social media and direct contact points to foster community connection and support.

8

Donor FAQs, Per Scholas, 2022, https://perscholas.org/donor-frequently-asked-questions/

Per Scholas operates it’s fundraising via one time and monthly donor pledges, stock gifts, cryptocurrency, tribute, estate, in-kind, and corporate giving options. Giving is facilitated online, via mail, wire transfer, or phone/credit card. Per Scholas offers the option for potential donors to consider making a legacy gift.

- Purpose of Legacy Gifts:
    - Supports Per Scholas in its mission to provide tech education and career access.
    - Helps ensure long-term sustainability and impact of the organization.

- Contact Information:
    - Donors interested in legacy gifts are directed to reach out via email for guidance and to discuss their potential contributions.

- Resource for Donors:
    - A link to the donor frequently asked questions page is provided to assist donors in understanding more about making contributions and the impact of their support.

9

"Planned Giving," Breakthrough Collaborative, 2023,
https://www.breakthroughcollaborative.org/donate-now/

Breakthrough Collaborative fundraises via donor pledges, donor advised funds, corporate and foundation giving, stock transfers, matching gifts, and planned giving. The giving is facilitated via mailed checks, grant recommendations, stock transfer, company human resources, and e-mail inquiries into donor pledges, organization donations, planned giving, and stock transfers. Planned giving is one of the fundraising methods used.

- Purpose of Planned Giving:
    - Encourages donors to continue their support for Breakthrough Collaborative's mission through planned gifts.
    - Planned gifts help ensure the organization's long-term financial stability and capacity to serve its community.

- Contact Information for Planned Giving:
    - Prospective donors interested in planned giving are encouraged to contact Breakthrough Collaborative via email.
    - This contact is intended to facilitate discussions about how donors can incorporate Breakthrough Collaborative into their estate planning.

- Resource Link:
    - A direct link to the donation page provides additional information on how contributions can be made, highlighting the importance of donations in supporting the organization's goals.

10

"Legacy Society and Planned Giving," Year Up, 2024,
https://www.yearup.org/supporters/become-a-donor

This document outlines the options and benefits associated with making a planned gift to Year Up, a nonprofit organization focused on closing the Opportunity Divide by providing young adults with the skills needed for professional careers. It details the inclusion in Year Up's Legacy Society for those who name Year Up in their wills or trusts and describes the various giving levels and associated benefits within the Opportunity Society.

  - Donors who include Year Up in their wills or trusts are recognized by inclusion in the Legacy Society.
  - Legacy Society members receive the same benefits as Bronze level donors of the Opportunity Society, which includes donors giving $1,000 or more annually.

- Opportunity Society Giving Levels and Benefits:
  - Member ($1,000-$4,999 Annual Giving): Includes recognition in the Annual Report, quarterly updates, and special invitations to events and graduation.
  - Bronze ($5,000–$9,999 Annual Giving): All Member benefits plus invitations to local group tours.
  - Silver ($10,000–$24,999 Annual Giving): Includes all Bronze benefits plus a student impact letter.
  - Gold ($25,000–$49,999 Annual Giving): Includes all Silver benefits plus invitations to donor appreciation events with Year Up students and staff.
  - Platinum ($50,000–$99,999 Annual Giving): Includes all Gold benefits plus an invitation to Year Up investor calls.
  - Sapphire ($100,000–$249,999 Annual Giving): Includes all Platinum benefits plus an invitation to an impact tour with Year Up executives.
  - Diamond ($250,000+ Annual Giving): Includes all Sapphire benefits plus personalized stewardship and recognition opportunities.
  - Founder's Circle ($1,000,000+ Lifetime Giving): Includes all Diamond benefits plus exclusive opportunities to engage with thought leaders in the Opportunity Movement.

- Options for Making a Planned Gift:
  - Year Up partners with FreeWill to offer a secure, online tool that helps donors create their legal wills and legacy gifts for free.
  - Donors preferring to work with an attorney can start with FreeWill to document their wishes, potentially saving on legal costs.
  - Contact information

<u>Best Practice Research - Endowments</u>

- Purpose: To define the framework for establishing, managing, and utilizing endowment funds in a manner that supports [redacted] mission over the long term, ensuring financial stability and enabling continuous support for its programs.
- Process: Details the steps for creating endowment funds, including setting objectives, defining fund criteria, managing investments, and adhering to legal and ethical guidelines. It also outlines the process for drawing on endowment funds in a sustainable

manner, ensuring that these resources are used effectively to support [redacted] strategic objectives.

- Outcome: A secure and growing endowment that provides a reliable source of income to support [redacted] programs, contributing to the organization's long-term stability and capacity to serve its community. This SOP ensures responsible management and oversight of endowment funds, aligning with donor intentions and organizational needs.

1

Fundraising for Social Change, Kim Klein's Chardon Press, April 26th 2016, Kim Klein, https://onlinelibrary.wiley.com/doi/book/10.1002/9781119228837.
The document discusses the concept of endowments in the context of long-term financial stability for organizations, particularly nonprofits. An endowment is described as a significant component of financial strategy that helps ensure sustainability by providing a stable source of income. The principal amount of the endowment is preserved while the investment income is used to fund various needs of the organization, potentially including program funding, operations, or special projects. These targeted campaigns are critical for organizations looking to secure long-term financial stability and growth through endowments, allowing them to continue their missions into the future.

- Purpose and Utilization:
  - Endowments are essentially financial safety nets, allowing organizations to earn ongoing income from invested funds. The principal is typically kept intact, and only the income or a portion of the earnings are spent.
- Fundraising for Endowments:
  - Raising funds for an endowment can involve targeted campaigns, where donors are educated about the long-term benefits and sustainability that the endowment provides to the organization.
- Types of Gifts:
  - Endowment funds can be built through various types of donations, including cash, stocks, or even bequests. Such gifts are often substantial, reflecting the donor's commitment to the enduring success of the organization.
- Strategic Financial Planning:
  - Organizations are advised to carefully plan and manage their endowment funds, ensuring that the endowment's use aligns with the organization's mission and long-term goals.
- Endowment Campaign Structure:
  - An endowment campaign is outlined with a financial goal, a gift range chart, and a timeline, similar to other fundraising campaigns like capital campaigns.
  - Endowment campaigns are unique, however, in that they remain open for new gifts even after the campaign has ended, supporting long-term growth and sustainability.
- Campaign Goals and Strategies:
  - Specific examples of campaign goals include setting targets based on the desired interest income, such as $1 million to generate $50,000 annually.

  - The campaign might start with a seeding phase if the full goal seems unreachable initially, aiming to raise a portion of the goal to establish a foundation for future growth.
- Gift Range Chart:
  - For a $1 million goal, a detailed gift range chart suggests a lead gift of $200,000 (20% of the goal), followed by various smaller amounts down to gifts of $1,000, to cover 87 donations in total.
- Solicitation and Donor Engagement:
  - The campaign involves forming a solicitation team, prioritizing prospects, and creating engaging materials to communicate the benefits of contributing to the endowment .

2

15 National Universities With the Biggest Endowments**, U.S. News, Oct. 2, 2023, Sarah Wood, https://www.usnews.com/education/best-colleges/the-short-list-college/articles/10-universities-with-the-biggest-endowments

The article highlights the 15 National Universities in the United States with the largest endowments, ranging from approximately $9.3 billion to a remarkable $50.9 billion, with the data provided by U.S. News from their annual survey. These large endowments, primarily possessed by institutions ranked in the top 20 of the National Universities, contrast sharply with the average endowment size of $1.6 billion across 379 ranked National Universities.

- Harvard University's Endowment:
  - Stands at nearly $50.9 billion, making it the highest among National Universities.
- Comparison with GDP:
  - Harvard's and Yale's endowments surpass the GDPs of countries like Nicaragua, Iceland, and Senegal.
- Yale University's Endowment:
  - Ranks second, totaling nearly $41.4 billion.
- Average Endowment among Top 15:
  - Is approximately $21.8 billion, significantly higher than the broader average.
- Smallest Endowments:
  - The 15 universities with the smallest endowments have an average of about $1.9 million, with the lowest being $26,373 at the University of California, Merced.
- Tuition Costs and Financial Aid:
  - Institutions like Stanford, with high endowments, charge high tuition fees but often offer substantial financial aid. Stanford’s tuition for the 2023-2024 academic year is $62,484, but meets the full demonstrated financial need of students.
- Endowment Data Utilization:
  - The data helps inform rankings and provide insights but does not influence the ranking process directly as per U.S. News' methodology.

3

College Endowment Returns Ticked Up in Fiscal Year 2023**, No Publisher listed, February 15, 2024, Josh Moody, https://www.insidehighered.com/news/business/financial-health/2024/02/15/college-endowment-returns-ticked-fiscal-year-2023

The article by Josh Moody, published on February 15, 2024, reports a rebound in endowment returns for the fiscal year 2023, with an average increase of 7.7% across 688 institutions. This recovery follows a decline of 8% in FY 2022 and is attributed to strong performance in public equity markets. Despite this year's gains, the returns are significantly lower compared to the exceptional 35% growth in FY 2021. The analysis highlights the vast disparity in endowment sizes among universities, with the largest endowments showing modest increases, and smaller institutions generally achieving better relative returns due to their higher allocation to public equities.

- Endowment Growth:
  - Average return in FY 2023 was 7.7%, recovering from an 8% decline in FY 2022 but far below the 35% growth in FY 2021.
- Institutional Participation:
  - 688 institutions with a combined endowment of $839 billion participated in the study.
- Top Endowments:
  - Harvard University leads with $49.5 billion
  - University of Texas system ($44.9 billion)
  - Yale University ($40.7 billion)
  - Stanford University ($36.5 billion)
  - Princeton University ($34 billion).
- Diverse Returns:
  - The University of California system saw a notable return of 14.7%, increasing its endowment to $17.7 billion
  - Duke University and Johns Hopkins University also outperformed the average with returns of 9.3% and 27.8%, respectively.
- Smaller Endowments:
  - Institutions with endowments under $100 million generally fared better, reflecting their higher exposure to the well-performing public equities market.
- Endowment Spending:
  - Increased to an average rate of 4.7% in FY 2023, primarily supporting student financial aid, which accounted for 47.7% of endowment spending.
- Philanthropic Contributions:
  - Total gifts to endowments were $13.3 billion in FY 2023, down from $14.9 billion in FY 2022.
- Diversity, Equity, and Inclusion Initiatives:
  - Nearly two-thirds of colleges reported receiving donations aimed at funding DEI initiatives.

4

Nonprofit Essentials: Endowment Building, No Publisher listed, No Date listed, No Author listed, No URL listed.
The document "NonProfit Essentials - Endowment Building" outlines detailed strategies for building endowments that nonprofit organizations can use to ensure financial stability and growth by securing and managing endowment funds effectively.

- Purpose of Endowments:
    - Endowments are critical for providing long-term financial stability and support to nonprofit organizations, enabling them to sustain and expand their programs without the constant pressure of fundraising.

- Strategies for Building Endowments:
    - Engage in preplanning
    - Assess readiness to start an endowment
    - Ensure organizational alignment and commitment.
    - Develop a compelling case for support to attract endowment contributions
    - Focus on the organization's long-term goals and the impact of sustained funding.
    - Identify and cultivate potential donors who are capable of making significant contributions to the endowment.

Strategic Planning and Assessment

- Assessment of Readiness:
    - Before initiating an endowment campaign, organizations should assess their current financial health, support base, and internal capabilities.
    - This includes evaluating the strength of existing donor relationships, the board's commitment, and staff resources.
- Goal Setting:
    - Define clear, achievable goals for the endowment fund based on the organization's long-term financial needs and mission objectives.
    - This involves setting monetary targets and timelines for the fundraising campaign.

- Articulating Impact:
    - Develop a compelling narrative that clearly articulates how the endowment will impact the organization's mission and operations.
    - Include specific examples of what the endowment will fund and how it will enhance the organization's capabilities.
- Communications Strategy:
    - Create targeted communications that address the interests and motivations of potential donors.
    - Tailor messages to highlight the permanence and sustainability that an endowment brings, ensuring donors understand the long-term benefits of their investment.

- Donor Engagement and Cultivation
    - Identifying Prospects:

        - Use data-driven strategies to identify and prioritize potential donors who have the capacity and inclination to contribute significantly to the endowment. This includes analyzing past giving behaviors and personal connections to the organization.
- Cultivation Strategies:
    - Implement tailored engagement strategies to build deeper relationships with potential donors.
        - This may involve personal meetings, exclusive updates, and involvement in key organizational activities to foster a sense of ownership and commitment.

- Management and Governance
    - Investment Policies:
        - Establish clear investment policies that define how endowment funds will be managed. These policies should focus on the long-term growth and preservation of capital, adhering to prudent investment principles and regulatory requirements.
    - Governance Structures:
        - Ensure that there are robust governance structures in place to oversee the management of the endowment.
        - This includes forming an investment committee to make decisions about asset allocation, manager selection, and performance evaluation.

- Transparency and Reporting
    - Regular Updates:
        - Keep donors informed with regular updates on the performance of the endowment fund and its impact on the organization. This transparency builds trust and can encourage further contributions.
    - Impact Reporting:
        - Demonstrate the tangible impact of the endowment through detailed reports and stories that show how the funds are being used to advance the organization's mission.

- Ethical Fundraising:
    - Conduct all fundraising activities in an ethical manner, respecting donor intent and ensuring that all promises made during the fundraising process are kept.
    - Transparency with Donors:
        - Organizations must be clear and honest about how endowment funds will be used. This includes providing detailed information about the management of the funds, investment strategies, and the specific uses of the endowment income.
    - Honoring Donor Intent:
        - It is crucial to respect and adhere to the wishes of donors regarding how their contributions are used.

  - Organizations should ensure that funds are allocated exactly as specified by donors, and any changes to the use of these funds must be communicated and approved by the donor when possible.

- Legal Compliance:
  - Adhering to all legal regulations governing endowment funds is mandatory.
  - This includes compliance with tax laws, charitable giving regulations, and investment policies.

- Accountability:
  - Regular and accurate reporting on the performance and impact of the endowment fund is essential.
  - This not only helps in maintaining trust with current donors but also assures potential donors of the organization's commitment to stewardship and transparency.
- Ethical Fundraising Practices:
  - The organization must engage in ethical fundraising practices by providing truthful information and not misleading donors or exaggerating facts to secure endowment gifts.
  - The fundraising activities should always align with the overall mission and values of the organization.

- Management of Conflicts of Interest:
  - Organizations should have clear policies to manage conflicts of interest that may arise among board members, staff, and donors.
  - This includes establishing procedures for disclosure and addressing any potential conflicts in a transparent and equitable manner.
  - Regularly review investment performance and adjust strategies as needed to meet fiduciary responsibilities and financial objectives.

- Donor Relations:
  - Maintain strong relationships with donors by recognizing their contributions and keeping them informed about the impact of their endowment.
  - Implement donor-centered strategies that align with donors' interests and philanthropic goals, providing them with meaningful opportunities to contribute to the organization's mission.

5

The Role of College and University Endowments, The Urban Institute, 07/2019, Sandy Baum and Victoria Lee, https://www.urban.org/sites/default/files/publication/100536/the_role_of_college_and_university_endowments.pdf

This publication provides a comprehensive analysis of the functions and debates surrounding the endowments in higher education institutions. It outlines how endowments support the long-term financial stability of colleges and universities, enabling them to maintain educational quality and institutional independence through varied economic conditions. The document also delves into the public policy and ethical considerations associated with the size and use of these funds, particularly the tax exemptions they receive and the perceived social responsibilities of these institutions.

- Endowments are crucial for helping institutions cope with revenue fluctuations and funding expansion without compromising their mission.
- The distribution of endowment assets is highly unequal across institutions, influencing the level of resources available for student support and other activities.
- Discussions on the optimal size of endowments and their tax-exempt status are contentious, reflecting broader societal debates about wealth distribution and fiscal policy in education.
- Proposals to modify tax exemptions aim to incentivize institutions to lower tuition costs, increase financial aid, and enhance socioeconomic diversity among students.
- Specific policy proposals include a tax on endowments that exceed a certain threshold per student, intended to push institutions to utilize their resources more for public good rather than accumulation.
- Critiques argue that such taxes might lead to unintended consequences, such as reduced financial flexibility for institutions and potential increases in tuition to offset financial pressures.
- These discussions underscore the complex role that endowments play in the higher education landscape, balancing between being a financial asset and a subject of public accountability.

6

Breakthrough Collaborative receives $5 million investment from MacKenzie Scott to strengthen and diversify the teacher workforce, Breakthough Collaborative, Oct 6, 2022, https://www.breakthroughcollaborative.org/breakthrough-collaborative-receives-5-million-investment-from-mackenzie-scott/

Additional relevant links:
https://www.breakthroughcollaborative.org/new-programs-partners-connections-in-2022/
https://www.causeiq.com/organizations/breakthrough-collaborative,943140620/
https://www.breakthroughcollaborative.org/breakthroughblog/page/4/?et_blog

Breakthrough Collaborative has received a $5 million donation from philanthropist MacKenzie Scott, marking the largest single contribution in the organization's 42-year history. This significant funding aims to bolster the organization’s national Teaching Fellowship program, enhancing the recruitment and training of a diverse teacher workforce, which is crucial for addressing the educational equity and teacher shortage issues exacerbated by the COVID-19 pandemic. The donation will enable Breakthrough Collaborative to expand its impact, supporting over 10,000 students annually, predominantly from historically underinvested communities.

- Donation Amount and Impact:

    - MacKenzie Scott's $5 million donation supports expanding the Teaching Fellowship program, which trains 1,000 college students annually from over 250 colleges to teach and mentor over 10,000 students each year.
- Targeted Recruitment:
    - The initiative focuses on mobilizing college students, especially students of color, to address the significant racial disparities in the teaching profession; only 20% of teachers are people of color compared to over 50% of students.
- Program Outcomes:
    - Historically, the Breakthrough Teaching Fellows program has trained over 10,000 fellows, with 76% pursuing careers in education and 55% becoming certified teachers.
- Future Goals:
    - The funding will also assist in the organization's strategic planning to increase the number of Teaching Fellows and enhance their transition into educational careers.
- CEO’s Statement:
    - Vince Marigna, CEO of Breakthrough Collaborative, emphasized the donation’s role in advancing educational recovery and supporting the academic and emotional needs of students.
- Organizational Background:
    - Breakthrough Collaborative is known for its commitment to educational equity, leveraging a cost-effective model that utilizes the talent of college students to meet the educational needs of motivated youth nationwide.

7

KIPP Charter School Program Receives $65 Million for Houston Expansion**, Washington Post, March 21, 2007, Jay Mathews, https://philanthropynewsdigest.org/news/kipp-charter-school-program-receives-65-million-for-houston-expansion

The KIPP (Knowledge Is Power Program) charter school initiative in Houston has successfully secured $65 million from notable donors to expand its network to forty-two schools, highlighting its significant role in the U.S. education system. This funding, part of a larger $100 million campaign, will be used to propagate KIPP's effective educational model across Houston's underserved areas. Currently, the Houston KIPP network includes eight schools serving over 1,700 students, including a school for Hurricane Katrina evacuees.

- Total Funding:
    - $65 million raised as part of a broader $100 million campaign aimed at expanding KIPP's presence in Houston.
- Major Donors:
    - Contributions include $10 million each from the Houston Endowment, the Hines Interests Limited Partnership, and philanthropists Laura and John Arnold.
    - Additional funds were pledged by the Bill & Melinda Gates Foundation ($10 million), the Walton Family Foundation ($8.7 million), and GAP founders Doris and Don Fisher ($5.3 million).
- Specific Projects Funded:

 - The funds will support the first early-childhood/elementary school in the KIPP network, KIPP SHINE Prep, with a $2 million contribution from the Mercury Foundation of New York for building costs, and $1.8 million from the Michael and Susan Dell Foundation to support sustainability of existing KIPP schools in Houston.
- Impact on Education:
  - KIPP has shown notable success in improving math and reading scores among low-income students at its fifty-two schools nationwide.
- Local Support:
  - A significant portion of the funding came from Houston-based sources, emphasizing local commitment to supporting educational advancements through charter schools.
- Advocacy and Sustainability:
    - Advocates argue that charter schools like KIPP push traditional public schools to improve by creating competition for student enrollment.
  - Sustainability of charter schools is expected to rely on both private and public funding at state and local levels.

8

$2.8M Lilly Endowment Inc Grant Supports Goodwill's Collaboration with Per Scholas, Per Scholas January 23, 2023, https://perscholas.org/news/2-8m-lilly-endowment-inc-grant-supports-goodwills-collaboration-with-per-scholas/
The collaboration between Goodwill of Central & Southern Indiana and Per Scholas has been bolstered by a significant $2.8 million grant from Lilly Endowment Inc. This partnership aims to enhance technology training and employment opportunities in Indianapolis, particularly focusing on increasing diversity within the city's tech sector. Through this initiative, Per Scholas will offer tuition-free tech training at Goodwill's headquarters, aiming to connect graduates with high-growth tech careers, thereby advancing economic mobility and equity.

- Key Details and Specifics from the Initiative:
- Grant Amount: $
  - 2.8 million from Lilly Endowment Inc to support the partnership between Goodwill and Per Scholas.
- Purpose:
  - To enhance technology training and provide employment opportunities in Indianapolis, with a strong emphasis on increasing diversity in the tech sector.
- Location:
  - Per Scholas' operations and training will be based at Goodwill's headquarters in Indianapolis.
- Target Audience:
  - The program specifically targets increasing access for adult learners and traditionally underrepresented groups in technology.
- Diversity and Inclusion:
  - 85% of Per Scholas learners are people of color and more than a third are women.
- Employment Partners:

    - Per Scholas partners with over 850 employers, including Fortune 500 companies and startups, to connect graduates to tech roles.
- Expansion:
    - This initiative marks the expansion of Per Scholas to its 20th city, with the first course in IT Support set to begin in March 2023.
- Goodwill's Role:
    - Goodwill of Central & Southern Indiana will facilitate the local operations and support the mission integration with its existing community services and education initiatives.

9

Private operating foundation: Endowment test, IRS.gov, 12/26/23, https://www.irs.gov/charities-non-profits/private-foundations/private-operating-foundation-endowment-test
https://www.irs.gov/pub/irs-pdf/f990sd.pdf

The IRS Endowment Test for private operating foundations is detailed under specific regulatory guidelines to ensure that such foundations actively contribute to their exempt activities.

- A private operating foundation meets the IRS endowment test if it makes qualifying distributions directly for the active conduct of its exempt activities amounting to at least two-thirds of its minimum investment return.
- This test ensures that the foundation is actively using its endowment to further its exempt purposes rather than merely generating income.

- Qualifying Distributions:
    - Must be made directly for the active conduct of the foundation's exempt activities.
- Calculation of Minimum Investment Return:
    - Typically, this is 5% of the average market value of the foundation's non-charitable use assets.
- Two-thirds Requirement:
    - The amount of qualifying distributions must be at least two-thirds of the calculated minimum investment return.
- Example Calculation:
    - For a foundation with $400,000 in endowment funds, a minimum investment return would be $20,000 (5% of $400,000), thus requiring at least $13,333.33 in direct qualifying distributions to satisfy the endowment test.
- Relation to Income Test:
    - Often, satisfying the income test will also satisfy the endowment test, especially when the minimum investment return does not significantly exceed the adjusted net income.
- This structure ensures that foundations are not merely hoarding assets but are actively using their resources to support their stated exempt purposes.

10

Understanding Endowments: Types and Policies That Govern Them**, Investopedia, April 07, 2024, Tim Smith, Reviewed by Ebony Howard, Fact checked by Timothy Li, https://www.investopedia.com/terms/e/endowment.asp
Endowments are significant financial assets held by nonprofit organizations, including universities, which are intended to be kept intact to generate income for specific purposes. These assets are typically formed through donations and are invested to support the long-term goals and operations of the institution. The principal of an endowment is generally preserved, while the income generated is used according to the donor's specifications, often under strict policies governing investment, withdrawal, and usage.

- Definition and Purpose:
  - An endowment is a donation meant to support nonprofit organizations by generating income while keeping the principal amount intact. It is commonly used by universities to fund various operational or programmatic needs consistent with donor wishes.

- Types of Endowments:
  - Unrestricted Endowment:
    - Allows flexible use of assets at the institution's discretion.
  - Term Endowment:
    - Principal becomes expendable after a certain period or event.
  - Quasi Endowment:
    - Funds designated by the institution itself, typically using unrestricted assets for specific purposes.
  - Restricted Endowment:
    - Principal is held in perpetuity, and only the income is used.

- Policies Governing Endowments:
  - Investment Policy:
    - Dictates allowable investments and the level of risk acceptable to meet target returns. This ensures the long-term viability of the fund.
  - Withdrawal Policy:
    - Defines how much can be withdrawn from the endowment fund, commonly capped annually (e.g., 5% of the total fund).
  - Usage Policy:
    - Specifies the allowable uses of the fund, such as funding academic programs, scholarships, or endowed faculty positions.

- Regulatory Requirements:
  - Private operating foundations, for example, must distribute a substantial percentage of their investment income annually to maintain tax-exempt status.

- Impact and Criticism:
  - While endowments support the financial health and mission of institutions, they have faced criticism for being underutilized, especially during financial downturns.

- Historical Context:
  - The concept of endowments is long-standing, with one of the earliest recorded by Marcus Aurelius in 176 AD.
  - Modern examples include large university endowments like those at Harvard and Yale, which support a variety of academic and institutional activities.

- These funds not only provide a stable financial base but also influence the strategic direction of institutions through the specific conditions set by donors.