



a handbook for

# giving circle hosts

TOOLS AND RESOURCES FOR DEVELOPING  
AND SUSTAINING GIVING CIRCLES

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## **REPORT REVIEWERS INCLUDED:**

Susan Ellerkamp, Community Foundation of St. Clair County

Nancy Johnson, Albuquerque Community Foundation

Bob Jordan, Fremont Community Foundation

Lynn Lambeth, Sigma Theta Tau International Foundation for Nursing

Donnell Mercereau, Council of Michigan Foundations

Susan Russo, Community Foundation of Western North Carolina

Carolynn L. Sween, Community Foundation of Waterloo/Cedar Rapids and Northeast Iowa

Julie Wiesen, Community Foundation for Northeast Michigan

## **FORUM STAFF:**

Daria Teutonico, Director, New Ventures in Philanthropy, Forum of Regional Associations of Grantmakers

Danielle Hicks, Assistant Director, New Ventures in Philanthropy, Forum of Regional Associations of Grantmakers

## **DEVELOPED AND WRITTEN BY:**

Jessica E. Bearman



**PLEASE CONTACT THE FORUM AT [INFO@GIVINGFORUM.ORG](mailto:INFO@GIVINGFORUM.ORG)  
TO TELL US ABOUT YOUR GIVING CIRCLE EXPERIENCE!**

# A Handbook for Giving Circle Hosts

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**So, you're thinking about hosting or starting a giving circle – Congratulations! This handbook is a practical tool that will help you think through the pros and cons, the ins and outs, and the nuts and bolts of developing and supporting a healthy giving circle.**

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## OVERVIEW

**How to use this handbook:** This handbook contains useful advice and a number of ready-to-use tools for you to write on, share with your board and your (potential) giving circle members, modify, and adapt.

More tools, sample documents, and information are available at the Forum's Giving Circles Knowledge Center: [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles). This online resource is continually updated with stories and resources from giving circles across the country. We hope you will visit the Knowledge Center and share your story with other giving circles.

**Jump to the Tools:** The tools listed below are included as part of this Handbook, beginning on page 10.

**Who will benefit from this handbook?** This handbook is written for organizations considering becoming and those that have already decided to be a host to a giving circle. Organizations that have long-standing relationships with giving circles may also find this handbook to be useful.

Most nonprofit organizations, foundations, and associations can serve as effective hosts for giving circles. Because most giving circle hosts are community foundations or other public foundations, many of the examples in this handbook speak to their particular needs and concerns.

The audience for this handbook is the staff and, especially, the boards of potential host organizations. Because hosting a giving circle is a strategic decision, we encourage boards of directors to use this handbook as a decision-making and planning tool.

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## ATTACHMENT TOOLS

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|----------------------|---|
| <b>ATTACHMENT 1:</b> | <b>TO HOST OR NOT TO HOST:</b><br>A self-assessment tool for organizations considering hosting a giving circle            |
| <b>ATTACHMENT 2:</b> | <b>KEY QUESTIONS TO ASK AT THE BEGINNING:</b><br>A discussion guide for early conversations with giving circle leadership |
| <b>ATTACHMENT 3:</b> | <b>CHECKLIST OF GIVING CIRCLE/HOST DUTIES</b>   |
| <b>ATTACHMENT 4:</b> | <b>GIVING CIRCLE COST CALCULATOR:</b><br>A tool to help you project the costs of hosting a giving circle                  |
| <b>ATTACHMENT 5:</b> | <b>SAMPLE MEMORANDUM OF UNDERSTANDING</b>   |

**Why Giving Circles?** Part of the mission of the Forum of Regional Associations of Grantmakers is to understand and promote philanthropic giving, particularly among people who have not, traditionally, been part of mainstream organized philanthropy. Through its New Ventures in Philanthropy initiative, the Forum has focused on racial, ethnic, and tribal donors; women; people in rural communities; and younger donors.

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

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

## Section 1: What is a Giving Circle and How Does it Work?

A giving circle is a group of individuals who come together, pool charitable donations from all their members, and make collective decisions about where to grant their money. Giving circles are increasingly common across the United States; a recent study by the Forum of Regional Associations of Grantmakers identified more than 400 of them.<sup>1</sup> Most of these groups have grassroots origins and spring from the passions and energies of citizens unconnected to philanthropy. Giving taps into donors' personal interests and desire for engagement while allowing them to leverage their dollars to make a significant difference in their communities.

Giving circles take various shapes but share the following characteristics:

- **Donors pool their money (and sometimes other resources, such as volunteer time and talents).** Often, each member of the giving circle gives the same amount, which can range from \$100 to \$100,000 per year, depending on the members' ability to give.
- **Donors decide together where the money is to be granted and fund across multiple organizations and/or projects.** Some giving circles give all of their money away each year (pass through) while others build endowments with part or all of their donations.

### ■ Donors learn together about community issues, philanthropy, and themselves as donors.

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

## Section 2: Is hosting a giving circle right for my organization?

The **host organizations** that support the giving circles accept, hold, and disburse funds so that the giving circle can make grants. But most hosts do more than that. They provide services that range from publicizing the giving circle to developing educational opportunities, to helping the giving circle identify and select grantee organizations. Some host organizations also choose to start giving circles that can engage specific types of donors (such as young people, women, or communities of color) or address important issues.

Most host organizations are 501(c)(3) nonprofits that can accept tax-deductible donations on behalf of the giving circle. Any organization with this status can serve as a host, although some organizations (such as community and other public foundations) have missions and operating procedures that are naturally compatible with giving circles.

<sup>1</sup> Jessica E. Bearman. "More Giving Together: The Growth and Impact of Giving Circles and Shared Giving." Washington, DC: Forum of Regional Associations of Grantmakers, 2007. For a copy of the report and more information about giving circles, visit [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles).

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

Supporting a giving circle can bring important benefits to an organization, but it is important to be realistic about what to expect. Giving circles are not easy or quick strategies to grow your organization's endowment or attract more donor advised funds (although these things do happen). Research conducted about hosts and giving circles indicated that hosts were happiest with their giving circle relationships when they considered the work to be a long-term investment in community visibility and donor engagement.

Your organization's board of directors can ask a series of questions to help determine whether hosting a giving circle makes sense for your organization. **Attachment 1: To Host or Not to Host** provides a guide for that conversation. Keep in mind that there is no clear cut YES or NO answer to the question of whether or not to host a giving circle. Much depends on your organization's goals and desire to work with a giving circle.

## Section 3: Getting started

Often, the tone of a host/giving circle relationship is influenced by the way in which the giving circle and host organization first come together. Giving circles can begin in three different ways:

1. They can be started by community members who then seek a host organization
2. They can be developed collaboratively by community members and host organization staff
3. They can be started by the host organization

Each type of relationship has different implications for the evolution of the giving circle and the host.

1. *Community-generated:* Giving circles are often formed by highly motivated community members who have already formed the group – at least its guiding principles and operational design. These circles approach a prospective host organization because they are looking for a fiscal agent to hold their donations and disburse their pooled funds. These circles are largely volunteer-managed, but may also seek some administrative support from a host. *Implications for hosts:* Because community-generated giving circles evolve from the passion and energy of community members, they tend to need less support from their host organization. They may also be less open to host organization input and involvement, including expertise and donor outreach.

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## BENEFITS AND CHALLENGES OF HOSTING A GIVING CIRCLE

### Benefits of Hosting a Giving Circle

- Increased community visibility
- Engaged and educated donors who might not have known about your organization
- Increased diversity of your organization's donors
- More opportunities for existing donors to learn about community needs and philanthropy
- A fantastic prospect list
- More grantmaking under your organization's auspices

### Challenges of Hosting a Giving Circle

- Staff time required
- Administrative costs
- Difficulty communicating organizational priorities to new donors
- Challenge of ensuring that giving circle volunteers share the workload

*Watch for:*

- Differences in mission between host organization and giving circle
- A lack of understanding about the legal and practical role that a host should play
- Fuzzy expectations about the division of responsibilities
- Changes in giving circle leadership that might make it harder for the giving circle to maintain its volunteer momentum.

*Tips:*

- Establish a clear understanding of roles, responsibilities, and expectations for the relationship
- Create a memorandum of understanding that outlines host and giving circle responsibilities and commitments
- Ensure that initial giving circle donors fully understand the host institution and how it operates
- Schedule regular “check-in” times for re-evaluating the terms of your agreement.

2. *Co-Created:* Giving circles can be created jointly by a community member (or members) and an organization. Co-created giving circles can be a wonderful hybrid – marrying the enthusiasm of community members with the practical support of a host organization. Since both parties are present at the circle’s conception, both sets of priorities can be addressed simultaneously. *Implications for hosts:* Working with community members to develop a giving circle can be a time-intensive task. Host organizations should prepare to devote ample time to attending and

facilitating meetings that will allow community members to ‘own’ the giving circle. As with any shared venture, it is important to delineate responsibility for different aspects of leadership and management.

*Watch for:*

- Staff taking on more and more responsibility for the circle’s operations – beyond what was anticipated at the start of the relationship
- Confusion over roles and expectations
- Different understanding of “ownership” between the individuals and the institution.

*Tips:*

- Once the giving circle is up and running, it is important to maintain the right balance of volunteer and staff initiative and workload. Otherwise, staff may end up with the lion’s share of the work. Set clear expectations about what functions staff and circle members will perform
- Develop a memorandum of understanding signed by both parties

3. *Host-Initiated:* Increasingly, host organizations – particularly community foundations – create giving circles to reach out to specific types of donors, meet a need in the community, or enhance the range of services that they can offer to donors. Although the idea for the giving circle may come from the host organization, it is rare for the host to succeed in creating a sustainable circle without a strong volunteer champion.

### CASE IN POINT – A COMMUNITY-GENERATED CIRCLE

The *Cleveland Colectivo* was started by a group of individuals who wanted to make positive and concrete change in Cleveland. The *Colectivo’s* voting members donate \$400 a year to the pooled fund, and non-voting volunteer members contribute to the group by attending meetings and helping to review applicants. The giving circle gave away more than \$13,000 in 2007.

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

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

IPM and the *Colectivo* use a basic agreement that IPM uses with other projects it sponsors. There is no fee charged. IPM donates a small amount of work time – between one and two hours per week – for *Colectivo*-related services. Visit the *Colectivo* online at [www.clevelandcolectivo.org](http://www.clevelandcolectivo.org)

## CASE IN POINT – A CO-CREATED CIRCLE

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

*Implications for hosts:* Host-generated giving circles present particular opportunities and challenges. In a host-generated circle, the volunteer champions are brought into the conversation after the idea of the giving circle has germinated. Because the enthusiasm and on-going support of these volunteers is critical, hosts must seek ways to engage them meaningfully in the circle's creation. Furthermore, unless fully committed to managing all logistical aspects of the circle's operations (sometimes the case with host-generated circles) the host organization must develop a volunteer structure for the giving circle that allows members to take leadership roles.

### Watch for:

- Unreasonable expectations within the organization about how much donor development the giving circle will accomplish
- Confusion about whose job it is to recruit new donors for the circle – host or circle members
- Lack of clear mission alignment.

### Tips:

- Make sure that strong volunteer champions are brought on board early. Provide meaningful roles that will involve and train volunteer leadership.
- Clarify goals for donor development and set realistic expectations about how and when giving circle donors will be involved in other organizational fundraising efforts, if at all
- Ensure that there is a clear pathway for new circle members to become involved with the rest of the organization.

### Attachment 2: Key Questions to Ask at the Beginning

is a resource to help ensure that the first conversations with your prospective giving circle partner will lay the groundwork for a successful relationship.

## CASE IN POINT – A HOST-INITIATED CIRCLE

The Community Foundation of Western North Carolina decided to create its giving circle, *Women for Women*, after a strategic planning process directed the organization to increase giving among high-net-worth women. Staff worked with a group of 12 committed donors, including the chair of the foundation's board, to recruit more than 200 members, many of whom did not have a previous relationship with the Community Foundation.

Coordinating *Women for Women* is time-consuming for the foundation, requiring the estimated equivalent of 1.2 full time staff per year. But, it has been worth it: after only two years of operation, *Women for Women* grew to more than 300 members, each giving \$1,100 each year for three years: \$1,000 goes into a pooled fund to promote the well-being and self-sufficiency of women, and the additional \$100 goes toward the circle's administration. The giving circle awarded \$213,000 in its first year and \$270,000 in its second grant cycle. Grants, which range from \$35,000 to \$100,000, have a strong impact on organizations that assist women and girls in western North Carolina. Additional gifts support the Women's Fund, which is a permanent endowment created to support the needs of women and girls in the western North Carolina mountains.

Visit *Women for Women* online at [www.cfwncc.org/women/women\\_for\\_women.html](http://www.cfwncc.org/women/women_for_women.html)

## Section 4: Structuring a Great Relationship

Whether hosting a giving circle is a business relationship or a labor of love, experienced hosts recommend thinking through all aspects of the relationship in advance to prevent confusion and misunderstanding later.

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

*Legal responsibility:* Both hosts and giving circles should be clear that the host organization has legal responsibility for the giving circle and its activities. Although the giving circle may have considerable autonomy and independence, the host organization should review all decisions and activities to ensure that the giving circle doesn't accidentally do something that puts the host at legal risk.

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

When the giving circle is sponsored by an existing philanthropic institution, such as a community foundation or other public foundation, the pooled money is generally kept in a specially designated fund of the public charity. Although the

giving circle donors decide how the money is to be given, the host organization reviews and approves all grants decisions to ensure that the decisions are within the scope of the host's mission.

*Basic Giving Circle Design and Management:* Giving circles can take a wide variety of forms. Many giving circles come to their host organizations with the basics figured out, but for co-created or host-initiated circles, the host organization will help to decide how the circle takes shape and operates. For more information about structuring a giving circle, please visit the Forum's Giving Circles Knowledge Center at [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles) Some of the key questions to be addressed include:

- Giving circle mission and funding priorities
- Size of circle
- Target donor population
- Donation level
- Grant cycle
- Whether to build endowment or give all donations away each year

*Grant administration:* Beyond managing the pooled donations, the basic function of a host organization is to disburse checks once the giving circle has selected its grantees. In the Forum's 2007 study, 95 percent of hosts provided this service. Hosts may also manage the grantee relationship, help conduct evaluation (if any) after grants have been made, and be responsible for informing denied applicants on behalf of the circle. As the fiscal agent, the host is ultimately responsible for the giving circle's grants and has a legal responsibility to stay abreast of where the money is given.

*Administrative support:* Hosts provide day-to-day services for giving circles. Some develop and maintain a working database to track membership and contributions. They may

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

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



also participate in or even facilitate giving circle meetings, provide a place to meet, donate internet support, or give the circle office space. General correspondence with giving circle members, such as e-mails about upcoming meetings or educational opportunities, can be undertaken by host staff, giving circle volunteers, or a combination of the two.

*Membership recruitment:* Some giving circles are open to any interested donor. Others are formed by a circle of friends and prefer to limit their membership. For the most part, giving circles recruit their own members, as donors themselves are in the best position to attract friends and acquaintances to the group. But most hosts help recruit donors and send interested donors to the giving circle's attention.

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

*Education:* Learning is an important part of the giving circle experience. Some hosts provide formal educational activities for giving circle members, including workshops and speakers. Others help members learn experientially by coordinating site visits, facilitating dialogue about grantmaking priorities, and coaching them as they evaluate the impact of their grants.

*Marketing and communications:* Hosts can boost giving circles by promoting them in their marketing materials and including them in their media strategies. These tasks are easy for hosts that start a giving circle because there is only one identity to consider. For hosts whose giving circles came to them partially or fully formed, there may be more negotiation involved in the circle's branding. The giving circle may have an established look and identity, including its own Web site and materials. Hosts and giving circles may want to reach an agreement in writing about if and how each will reference and promote the other.

**Attachment 3: Checklist of Giving Circle/Host Duties** provides a template for thinking through the various tasks associated with starting and managing a giving circle.

## RELATIONSHIP INTENSITY:

The intensity of the giving circle/host relationship is primarily a function of how the host organization and giving circle volunteers divide responsibility. Because of the wide variety in giving circles and hosts, it is difficult to describe discrete types of relationships. Instead, based on what we learned from experienced hosting organizations, we have developed a continuum of intensity into which most relationships fall. A chart showing the *Three Levels of Intensity in Giving Circle/Host Relationships* can be found on page 8.

## Section 5: Formalizing the Relationship

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

- *Donations from the organization's budget:* Most hosts donate at least some services from their organizations' budgets. Partly, this is an acknowledgement that the giving circle's work is important to the organization. Often, it is also a practical acknowledgement that the giving circle's fee does not cover the true cost of supporting the giving circle.
- *Fee for service:* Many hosts charge a fee. For some, this is based on a percentage of the circle's assets – usually 1 to 2 percent of assets. Others charge a flat fee, such as \$100 per donor per year. Community and other public foundations may charge their usual donor-advised fund fee.
- *Special gifts from circle members:* Giving circle members sometimes contribute additional money toward the cost of administration. This can be via a special administrative fund drive or through solicitation of individual giving circle members.
- *Special gifts from other sources:* In some relationships, the giving circle (and/or host organization) receives a special grant or donation from an outside organization or individual specifically to pay for administration. Hosts can seek support from local or national foundations to defray initial costs of the giving circle.

### THREE LEVELS OF INTENSITY IN GIVING CIRCLE/HOST RELATIONSHIPS

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

Your organization's board and staff can use **Attachment 4: Cost Calculator** to begin thinking about the costs of the services that the giving circle will require. It is very difficult to project the amount of staff time required until your organization has spent some time hosting the giving circle. For this reason, we recommend that you establish a pilot period during which you can track expenses, followed by a chance to evaluate and renegotiate the terms of your agreement, if necessary. Keep in mind that the start-up phase of a giving circle will be more time-intensive than the maintenance phase.

**Memorandum of Understanding (MOU):** We strongly advise your organization to develop a Memorandum of Understanding with the giving circle *before* you accept monetary donations from circle members. This document has many purposes.

- It ensures that both the host and the giving circle know what they are expected to contribute to the relationship.
- It describes the fee (or other payment) structure.
- It protects both the host organization and the giving circle from confusion due to staff or volunteer leadership transitions.
- A formal document serves as institutional memory, can clarify important elements of the relationship, and can provide a safeguard against misuse of funds.

Your organization may already have a standard agreement that it uses with donor advised funds or other sub-funds. These agreements, slightly modified, may also work well as templates for a giving circle memorandum of understanding.

**Attachment 5: Memorandum of Understanding Template** provides ideas for what a formal agreement should contain. For more templates and examples of MOUs, please visit the Forum's Giving Circles Knowledge Center at [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles).

## In Summary...

By hosting a giving circle, your organization makes a commitment to build philanthropy in your community. When the mission of an organization and the passion of giving circle donors come together the results can be truly extraordinary: connected, knowledgeable, and thoughtful donors and more giving in your community. We hope that this handbook has given you the tools to make a thoughtful decision about whether and how your organization can best support a giving circle.

The Forum of Regional Associations of Grantmakers' *Giving Circles Knowledge Center* provides an online resource for giving circles and their hosts. You can find additional tools, templates, and sample documents, as well as research and writing about giving circles, at [www.givingforum.org/givingcircles.org](http://www.givingforum.org/givingcircles.org). The knowledge center is enriched when giving circles and host organizations share their questions, comments, and experiences. Please contact the Forum at [info@givingforum.org](mailto:info@givingforum.org) to tell us about your giving circle experience!



**PLEASE CONTACT THE FORUM AT [INFO@GIVINGFORUM.ORG](mailto:info@givingforum.org)  
TO TELL US ABOUT YOUR GIVING CIRCLE EXPERIENCE!**

# Attachment 1: To Host or Not to Host

A self-assessment tool for organizations considering hosting a giving circle

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## HOW TO USE:

This self-assessment can be used as part of a board meeting, staff meeting, or retreat to help your organization think through questions related to your readiness to host a giving circle. Please note that while there is no magic formula for hosting a giving circle, the Red Flags in this assessment highlight important factors for success.

### 1. Does hosting a giving circle fit with your organization's overall mission and strategic plan?

Is it part of your organization's mission to generate and support donor education or civic engagement?

Yes       No       Not Sure

Do you have an interest in reaching out to new pools of donors?

Yes       No       Not Sure

Does your mission speak to providing education and engagement for your existing donors?

Yes       No       Not Sure

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 2. Why does your organization want to host a giving circle? What is your vision for how the giving circle will contribute to your community and/or your organization? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

### 3. To what extent is the giving circle already formed? Giving circles at different stages of development pose different opportunities and challenges for host organizations. **Attachment 2, Key Questions to Ask at the Beginning**, poses important questions to ask a giving circle at the start of a hosting relationship.

- It is not yet formed. Our organization will create the giving circle from scratch.
- We are working with a volunteer champion (or small group of volunteers) to start the circle.
- The giving circle has a core group of members, and they want our organization to help them become more organized, recruit, etc.
- The giving circle is formed already, and is seeking a fiscal sponsor.

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**4. Does the giving circle have a strong volunteer champion or group of champions?** If so, does this individual (this group) have sufficient motivation, connections, and community credibility to catalyze this giving circle?

**RED FLAG**  
 If the giving circle does not have a volunteer champion(s) who can recruit members and generate community excitement, it may be difficult for your organization to make progress. You will need to think carefully about how you will generate interest and community support for the idea.

Yes       No       Not Sure

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**5. Do you have an in-house champion for the giving circle?**

Is there someone on your staff or board who is particularly excited about the giving circle? Perhaps they are involved in the creation of the giving circle. It is helpful to have at least one person within the organization who is highly motivated to make the relationship work. Ideally, this person is either in a leadership role or has the backing of the organization's leadership.

Yes       No       Not Sure

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. Does your organization's leadership (CEO and board of directors) support the idea of hosting a giving circle?**

**RED FLAG**

If the idea of hosting a giving circle is not wholeheartedly supported by the organization's CEO and board of directors, it is probably not wise to proceed.

Yes       No       Not Sure

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**7. What kind of support does the giving circle want or need from your organization?**

Some circles may desire only fiscal sponsorship. This includes providing them with the legal status of a nonprofit organization (the 501(c)(3) umbrella) and managing their financial assets. Others may request database development and management, donor or fund analysis, help with education programming, and marketing and communications support. **See Attachment 3 Checklist of Giving Circle/Host Duties for a detailed list of possible tasks.** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**8. Can your organization reasonably provide the support that the circle wants?** The amount of staff support you can provide is less important than having a good match between what the giving circle needs and what you can provide. **See Attachment 3: Checklist of Giving Circle/Host Duties for a detailed list of possible tasks.**

**RED FLAG**

Be sure that both the giving circle and your organization are up-front about the support that is expected.

Yes       No       Not Sure

**9. What benefits does your organization expect from the giving circle?** Are your expectations realistic, given the type of giving circle you are considering hosting?

- Increased organizational visibility in the community
- More donors to organization
- More engagement opportunities for existing donors
- Connections to a previously untapped group of donors (such as young donors, women, or donors of color).
- The growth of new donor advised funds at your organization
- Increased grantmaking (through circle grants)
- Other...

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**10. What challenges do you envision?** \_\_\_\_\_

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**11. What would be the consequences of a failed (or lackluster) effort?** \_\_\_\_\_

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**12. What are your next steps?** List any questions that still need to be answered, people with whom you will consult, and other actions that you'll take next. \_\_\_\_\_

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# Attachment 2: Key Questions to Ask at the Beginning

A discussion guide for early conversations with giving circle leadership

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## **HOW TO USE:**

This tool poses a number of questions that your organization should ask – both of the giving circle and yourself – at the start of the relationship. You can use these questions as a guide for early discussions. For tips and tools related to getting a giving circle started, visit the Forum’s Giving Circles Knowledge Center at [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles).

## **COMMUNITY-GENERATED GIVING CIRCLE**

**1. Who are the volunteer champions of this circle?**

**2. How far along is the circle in its development?**

- a. Does it have a name, mission statement, bylaws, webpage?
- b. How many members does it have?
- c. Have operational details already been determined (things like donation levels, committees, etc.)

**3. Does the giving circle already have funding priorities? Are they congruent with your organization’s mission?**

**4. What specific services does the giving circle hope that your organization will provide?**

**5. Is the giving circle able and willing to pay an administrative fee to your organization for the services you provide?**

## **CO-CREATED GIVING CIRCLE**

**1. Who are the volunteer champions of this circle?**

- a. Do they have strong motivation and credibility to lead this effort?
- b. What kinds of ideas do they have for the circle’s operations and priorities?
- c. What will be expected of them?



**2. Which staff from your organization will serve as point people for giving circle development?**

**3. What can the organization contribute to the development of the giving circle?**

**4. How will new members be recruited?**

**5. How will volunteer leadership be developed and empowered?**

**6. How will donation levels and funding priorities be decided?**

#### **HOST-INITIATED GIVING CIRCLE**

**1. What does your organization hope to accomplish through this giving circle?**

**2. Which staff from your organization are responsible for circle development?**

**3. Who are the volunteer champions of this circle?**

a. Are they already on-board or will they need to be recruited?

b. Do they have strong motivation and credibility to lead this effort?

c. What will be expected of them?

**4. What can the organization contribute to the development of the giving circle?**

**5. How will new members be recruited?**

**6. How will volunteer leadership be developed and empowered?**

**7. How will donation levels and funding priorities be decided?**

# Attachment 3: Checklist of Giving Circle/Host Duties

A checklist to help you think through the division of responsibilities

## HOW TO USE:

This checklist is best used as part of a discussion with giving circle representatives. However, your board may want to review it first and determine what responsibilities make most sense for your organization. Completing this checklist is an essential step to crafting a detailed Memorandum of Understanding.

The following list includes common tasks that giving circles or their host organizations (or both) must take on to launch and manage a giving circle. Advance consideration of who will be responsible for each element helps to ensure a straightforward relationship. This checklist can form the basis for a clear Memorandum of Understanding – **see Attachment 5**.

As you use this tool, feel free to add additional responsibilities to the checklist. Please share your changes with the Forum by emailing [info@givingforum.org](mailto:info@givingforum.org).

Financial	Host	GC	Shared	N/A
<input type="checkbox"/> Nonprofit legal status – 501(c)(3)				
<input type="checkbox"/> Invest and manage giving circle donations (pooled fund)				
<input type="checkbox"/> Manage cash accounts, if any				
<input type="checkbox"/> IRS form 990 preparation				
<input type="checkbox"/> Financial reporting to giving circle leadership				
<input type="checkbox"/> Collect and document checks received from giving circle members				
<input type="checkbox"/> Deposit checks from giving circle members				
<input type="checkbox"/> Thank you letters/Tax receipts to giving circle donors				
<input type="checkbox"/> Cut checks for grantee organizations				
<input type="checkbox"/> Mail checks for grantee organizations				
<b>Giving Circle Administration and Support</b>				
<input type="checkbox"/> Develop giving circle mission and policies (or bylaws)				
<input type="checkbox"/> Database development Member database Grantee database				
<input type="checkbox"/> Meeting facilitation				
<input type="checkbox"/> Meeting participation				
<input type="checkbox"/> Meeting space (finding and providing)				
<input type="checkbox"/> General correspondence to members (mail, email, phone)				

<b>Grantmaking and Grants Administration</b>	<b>Host</b>	<b>GC</b>	<b>Shared</b>	<b>N/A</b>
<input type="checkbox"/> Suggest organizations to fund				
<input type="checkbox"/> Create a "docket" of funding prospects				
<input type="checkbox"/> Communication with prospective grantees				
<input type="checkbox"/> Development of grant guidelines				
<input type="checkbox"/> Develop Request for Proposal (RFP) or other means of identifying and assessing grantees				
<input type="checkbox"/> Distribute RFP				
<input type="checkbox"/> Decide which organizations will receive funding				
<input type="checkbox"/> Approve grantmaking decisions				
<input type="checkbox"/> Notify successful applicants				
<input type="checkbox"/> Check disbursement (cutting checks to grantee organizations)				
<input type="checkbox"/> Develop grant agreement letter				
<input type="checkbox"/> Notify unsuccessful applicants				
<input type="checkbox"/> Evaluate impact of funding on grantee organizations				
<b>Education and Outreach</b>				
<input type="checkbox"/> Giving circle educational events (speakers, brown-bags, "how to" sessions, etc.)				
<input type="checkbox"/> Recruit new giving circle members				
<input type="checkbox"/> Identify prospects (for larger/other gifts to circle)				
<input type="checkbox"/> Identify prospects (for larger/other gifts to host organization)				
<b>Marketing and Communications</b>				
<input type="checkbox"/> Media outreach related to giving circle				
<input type="checkbox"/> Include giving circle name and information in organization's marketing materials				
<input type="checkbox"/> Develop content for ongoing marketing & communications				
<input type="checkbox"/> Press release for grant cycle				
<input type="checkbox"/> Serve as point-of-contact for media inquiries				
<b>Special Events</b>				
<input type="checkbox"/> Design of events				
<input type="checkbox"/> Event planning and implementation				
<input type="checkbox"/> Event advertising				
<input type="checkbox"/> Event set-up				
<input type="checkbox"/> Event attendance				
<b>Miscellaneous</b>				
<input type="checkbox"/> Provide storage space				
<input type="checkbox"/> Provide work space				
<b>Other...</b>				
<input type="checkbox"/>				
<input type="checkbox"/>				

# Attachment 4: Giving Circle Cost Calculator

A tool to help you project the costs of hosting a giving circle

## HOW TO USE:

To the extent possible, fill in the blanks in this calculator with information about known and suspected costs for the first year. Prepare to revisit and reevaluate this as your relationship develops and true costs become clearer. You will find it helpful to complete **Attachment 3: Checklist of Giving Circle and Host Duties** before working on this cost calculator.

## STAFFING COSTS:

Task	No. of hours	Cost per hour	Total
<b>Processing donation checks from GC members</b>  <i>Consider</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> Database, record keeping</li> <li><input type="checkbox"/> Depositing checks</li> <li><input type="checkbox"/> Donor thank you notes</li> </ul>			
<b>Writing and sending checks to grantee orgs</b>  <i>Consider</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> How many grantees?</li> <li><input type="checkbox"/> How many grant cycles per year?</li> </ul>			
<b>Giving circle meetings</b>  <i>Consider</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> How many meetings?</li> <li><input type="checkbox"/> How many staff will attend?</li> <li><input type="checkbox"/> Preparation time?</li> </ul>			
<b>Grantmaking support</b>  <i>Consider</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> Who develops the RFP?</li> <li><input type="checkbox"/> Will you "vet" prospective grantees?</li> <li><input type="checkbox"/> Who takes calls from grantees?</li> <li><input type="checkbox"/> Who advertises grantmaking cycle?</li> </ul>			
<b>Communications Costs</b>  <i>Consider</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> Development of press releases</li> <li><input type="checkbox"/> Communication with media</li> <li><input type="checkbox"/> Development of other materials</li> </ul>			
<b>Total Anticipated Staff Costs:</b>			

**DIRECT COSTS:**

Category	Anticipated cost
<p><b>Meeting supplies</b></p> <p><i>Consider</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Office Supplies</li> <li><input type="checkbox"/> Food and drink</li> <li><input type="checkbox"/> Room rental, if necessary</li> </ul>	
<p><b>Event expenses</b></p> <p><i>Consider</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Room rental</li> <li><input type="checkbox"/> Food and drink</li> <li><input type="checkbox"/> Band/entertainment</li> <li><input type="checkbox"/> Miscellaneous</li> </ul>	
<p><b>Mailings:</b></p> <p><i>Consider</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Printing</li> <li><input type="checkbox"/> Postage</li> </ul>	
<p><b>Advertising and promotion, including newspaper advertisements</b></p>	
<p><b>Giving circle materials (for example, brochures, letterhead, etc.)</b></p> <p><i>Consider</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Layout/Design</li> <li><input type="checkbox"/> Printing</li> </ul>	
<p><b>Web hosting expenses, including e-newsletter, if any.</b></p>	
<p><b>Miscellaneous:</b></p> <p><i>Consider</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Recognition gifts</li> <li><input type="checkbox"/> Mileage</li> <li><input type="checkbox"/> Phone</li> </ul>	
<p><b>Total Anticipated Direct Expenses:</b></p>	
<p><b>TOTAL STAFF COSTS AND DIRECT EXPENSES:</b></p>	

# Attachment 5: Sample Memorandum of Understanding

A tool to help you project the costs of hosting a giving circle

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## HOW TO USE:

This template includes draft language and sample categories you may want to include in your host agreement. For sample MOUs, please visit the Forum's Giving Circles Knowledge Center [www.givingforum.org/givingcircles](http://www.givingforum.org/givingcircles). Before entering into any contract, it's always a good idea to obtain legal advice.

This Agreement, effective on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, is made by and between the \_\_\_\_\_ (giving circle) and the \_\_\_\_\_ (host organization).

## TERM

Specify dates for this agreement to start and end, and process for renewal and early termination by either party

## ASSIGN STAFF

Designate which professional staff person from the host organization will coordinate activities in this agreement.

## FINANCIAL SERVICES:

Specify which of these services will be carried out by the host and which by the giving circle, and lay out any necessary rules or conditions for each:

- Nonprofit Status – 501(c)(3) umbrella
- Deposit/post contributions
- Invest and manage endowed funds
- Manage cash accounts
- Calculate market value
- Audit and 990 preparation
- Pledge collections
- Fund reporting
- Special events payment tracking/reporting

## FUND ADMINISTRATION AND SUPPORT

Specify which of these services will be carried out by the host and which by the giving circle, and lay out any necessary rules or conditions for each:

- Database development and management
- Develop/update fund policies
- Develop/administer thank you letters
- Respond to phone and e-mail requests for information
- General correspondence
- Routine meeting attendance
- Photocopying, postage, supplies and printing
- Work space and storage space

## GRANT ADMINISTRATION

Specify which of these services will be carried out by the host and which by the giving circle, and lay out any necessary rules or conditions for each:

- Grantee communications
- Develop RFPs
- Grantee Q&A
- Proposal processing
- Check disbursements

## DEVELOPMENT AND DONOR RELATIONS

Specify which of these services will be carried out by the host and which by the giving circle, and lay out any necessary rules or conditions for each:

- Information and referrals
- Donor education
- Research/data collection
- Prospect identification
  - a. Does the relationship allow the host organization to solicit giving circle donors for additional gifts to the organization?
  - b. How will host contact new donors to the foundation who are part of the circle? Options include:
    - Newsletter list
    - Reporting list
    - Annual report list
    - Invitation list for foundation events
    - Annual meeting with circle members to explain relationship with foundation

## MARKETING, COMMUNICATIONS, SPECIAL EVENTS

Specify which of these services will be carried out by the host and which by the giving circle, and lay out any necessary rules or conditions for each:

- Inclusion of fund name in host marketing materials
- Inclusion of host name in circle marketing materials
- Initial media announcement of circle
- Strategic consulting
- Branding services
- Content development for marketing (web page, ads, brochures, etc.)
- Event support
- Media relations support, press releases, media inquiries

## FEES

Specify the fees to be paid by the giving circle for these services and when payments are due.

## SIGNATURES AND DATES

On behalf of the host organization: \_\_\_\_\_

On behalf of the giving circle: \_\_\_\_\_



FORUM OF REGIONAL ASSOCIATIONS OF GRANTMAKERS

1111 19th Street, NW, Suite 650  
Washington, DC 20036  
Tel: 202.467.1120 Fax: 202.467.0055

[www.givingforum.org](http://www.givingforum.org)