

Top 10 Tips for Running a Giving Circle

by Ruth Jones
October 2016

1. Reflect on what you want from a giving circle.

Think about the level of commitment you are seeking:

- Is this a group of friends and family members coming together, pooling an agreed contribution and donating it to an organization everyone is familiar with? And doing this over the course of a convivial dinner? A giving circle can be as informal as this - a great way to engage with friends and family around important issues.
- OR will this be one of the main ways in you make your annual charitable gifts? Do you want an opportunity to learn more of the story behind some of our most entrenched social challenges and how organizations are attempting to tackle these?

If that's the case, you may be drawn to a more sophisticated giving circle model. One such example is [Washington Women's Foundation](#), a leader in Seattle's philanthropic community and the model for many women's giving circles in the US and abroad. Giving circles using this model have professional staff, poll contributors to determine the issues they most care about, provide educational opportunities so participants can increase their understanding of social issues, and undertake stringent, due diligence processes that include interviews with leaders of organizations being considered for a gift, site visits, analysis of financials and assessment of a non-profit's potential for impact before a decision is made to award a substantial amount of money. There are also opportunities for participants to volunteer with the circle.

And then there is everything in between, including online crowd funding and pitch events where nonprofits promote their cause to an audience of potential donors.

2. Look first at established giving circle models

You don't need to start from scratch. Social Venture Partners, Impact 100, The Giving Network, the Washington Women's Foundation and many like it are successful, tested models. They may already operate in your city; in which case consider joining an existing circle. If they are not, and you want to move ahead with establishing a new circle, these models have documented processes, policies and practices available to help kick start your group.

3. *Expect people to have different levels of involvement, depending on their personal and professional circumstances*

There's a pretty good rule of thumb: some members of a giving circle will be very involved: some interested but not quite as hands on; others might not want to be directly engaged at all, other than by making their financial contribution, but will enjoy knowing their charitable gift is being leveraged by the contribution of others.

Be prepared for people to move in and out of involvement with the circle, as their personal and professional lives dictate.

4. *Be ready for the circle to 'morph'*

Being part of a community of donors has a big impact on people's knowledge and understanding of social issues: it cements their commitment to philanthropy and pushes some to give more and do more. Instead of concentrating their dollars on organizations providing direct assistance, this subset of donors may want to support nonprofits that act as advocates and public policy experts for the issue in question. Deeply engaged donors are likely to increase their level of giving - good news! - but it might have implications for the direction of your giving circle.

5. *Recruit, recruit, recruit!*

Be ready for the demands of recruiting new members to your group. People move: their financial commitments evolve; they shift their charitable focus to another cause. There will always be a need to recruit new members: rather than thinking of this as a chore, regard it as an opportunity to share personal stories about the way in which being a member of the circle has enriched your life and leveraged your charitable giving.

6. *Know the legal requirements for a giving circle in your country*

Depending on the complexity of the giving circle, get clear on any possible legal requirements. Need to open a new bank account? Find a fiscal agent that can handle the financial tasks on your behalf? Are you able to provide receipts for gifts that can be used by contributors to claim tax deductions? Will you be required to lodge annual returns with the tax agency in your country?

Getting a handle on these and other questions upfront is important. There are likely to be specialist agencies and resources in your country that can help you work through these.

7. *Get up close and personal!*

If you can, create the opportunity for giving circle participants to get up close and personal with the organizations and causes your giving circle supports. It is likely to increase people's sense of commitment AND their level of charitable giving.

Joining a giving circle allows contributors to engage their minds, as well as their dollars. That's when giving stops being cerebral - because it's the right thing to do - and starts becoming deeply personal. There's nothing to say it can't be fun, either! Do it with people you like and enjoy what can be a deeply fulfilling experience.

8. *Budget for administration and other costs*

Depending on the size and complexity of your giving circle, you will need to budget for running costs. An all-volunteer set up is fine for a small, informal circle: but if your aspirations for the group include building it to the point where large numbers of people are involved and it has the capacity to make significant grants, you will need to budget accordingly. Don't think of money spent on administration, education and recruitment as wasteful: recognize it as a necessary cost for what you are trying to do – drive social change and get more people involved in giving and volunteering.

9. *Communication matters*

Whatever the size or complexity of your giving circle, your communication with current and potential donors, and with current or potential grant recipients matters.

We've noted that some contributors may not want to be actively involved, but appreciate the fact that their gifts are being leveraged by others in the circle who are ready to do the necessary research and work involved in making a thoughtful selection. They'll need regular updates, as will potential contributors weighing up whether they will join. If your circle is open to accepting applications from nonprofits, you'll want to think about what's involved in getting this message out to the right audience. It's important to offer clear guidance to applicants about the approximate size of the grants available, what's involved in the application process and provide a timeline for decision-making.

10. Have fun!

Nobody ever said that getting more involved with your community and thinking more deeply about your charitable giving meant that you couldn't *enjoy* yourself. In fact, people coming together around the issues that matter to them is a surefire way of building friendships and social capital: (it also, happily, is likely to increase participants' charitable giving.)



About the Author:

Ruth Jones is an independent nonprofit/philanthropy consultant. She recently returned to Australia after more than 12 years in North America, 10 of these as CEO of the [Social Venture Partners Network](#) the largest network of engaged donors operating globally.

Useful links:

- Giving Network, <https://givingnet.org/>
- Impact 100, <http://impact100.org/>
- Social Venture Partners Network, <http://www.socialventurepartners.org/>
- Washington Women's Foundation, <http://wawomensfoundation.org/>