

There are many ways to start a Giving Circle. These 10 steps can give you a starting point and a basic road map.

Step One - Set Goals and Structure

Bring your group together for a first meeting. Take time at this first meeting to discuss the basics of Giving Circles. Begin the process of setting goals and structure now. Some of the decisions that you may want to discuss at this meeting are:

- How many times will the group meet?
- How will we determine our funding focus?
- Where do we hold meetings?
- Is there a limit on number of participants?
- What is the size or range of the financial contribution each member will make?
- What is the time commitment?

Remember: Giving Circles go beyond simply choosing an individual's favorite charities; they allow you to pool your resources to support a common goal with greater impact. Members will contribute time as well as dollars in the process.

Step Two – Establish Mission and Commitment

Once the group sets up regular meetings, it is a good idea to:

- Establish a mission
- Agree on common goals and objectives
- Name your group
- Set up an operating structure

Remember: The contribution amount can vary. Giving Circle organizers choose the requirements – starting at \$10 and going up to \$25,000 or more. The group decides what is reasonable for their Circle; it is important for the group to agree on the final amount. Some Circles choose one contribution level for everyone so that no single vote on a potential grantee outweighs another. Other Circles find that a tiered giving structure, percentage of income, or anonymous giving meets their needs. It is also important to decide on contribution deadlines to have a clear idea of how much money is available to grant.

Step Three – Decide Where to Place Your Collective Dollars

At the start of each year, members should make a financial commitment to the Giving Circle (i.e. write the check or commit to a schedule of contributions). There are options for where your Circle members' money will be held. There are benefits to all the options, depending on the Circle's needs, experience, and structure. Giving Circles generally have little to no administrative "overhead." Volunteers administer the Circle and all dollars go to the designated nonprofit(s). However, some Circles have found it useful to pay the cost of fund administration to relieve the burden on their members. They then receive a level of service that they cannot provide for themselves. You can:

- Open a joint bank account (check with a professional advisor on the tax implications);
- Partner with an organization that can act as a financial administrator of the funds;
- Establish a Donor Advised Fund at a Community or Public Foundation;
- Write individual checks to the chosen nonprofit(s).

Step Four – Establish an Issue/Focus Area

This step may take significant discussion. Encourage the group to be as specific as possible. For example, if the group is interested in health issues for women – what specific health issues, age range or demographic? In what geographic area will you focus? You may also want to invite local experts to talk with the group. Some Circles assign group members to investigate issues. Consensus is important when a Giving Circle decides on its focus area.

Step Five – Create Smaller Work Groups

Having members of the group volunteer for tasks helps build personal commitment. Members in smaller groups can focus on different tasks.

Step Six – Develop Process and Criteria for Funding

You may decide to ask for written applications from a charity. Or, you may evaluate a group in another way. Some questions to consider as you determine your funding philosophy:

- How will we decide who receives funding?
- Will we review grant applications?
- Will we visit specific organizations that could “qualify”?
- What kind of report will we want at the end of the project period from the recipient of these funds?

This process can be simply choosing a recipient organization based on information you gather. Or, the process can be more involved. Some Giving Circles review written applications, visit the organizations, and ask for a presentation on the work the organization does. If your group is unsure of how to assess an organization, you may want to consider asking someone with a background in grant-making or nonprofit administration to give the group some guidance.

It is also important at this stage to establish final evaluation criteria. How will you measure your Giving Circle’s impact? How will the organization(s) that receive funding measure the impact of this funding?

Note: Many Circles try to match the level of effort they require from the grantee to the amount of money that they have to give. Nonprofits are often understaffed and short on time. It can be a burden for them to create lengthy proposals and reports for relatively small amounts of money.

Step Seven – Review Potential Recipients

Conducting site visits with potential grantees can be helpful in the grantmaking process. This is the time to ask questions, get clarification, and see the organization in action.

The group should set aside plenty of time to discuss the potential grantees. Members may feel strongly about funding different organizations. Leave yourself plenty of time to go through this process to reach agreement. Smaller Giving Circles often use a consensus model for decision-making. Larger Circles tend to rely on selection committees and voting systems.

Consider taking a risk by funding a start-up nonprofit, or by funding a nonprofit that may seem unconventional to traditional funders. Remember you are the “Board of Directors” and can set your own guidelines.

Step Eight – Make Grant Awards

Immediately following the group’s decision, alert the recipient and let them know when they can expect a check. It is good practice to let organizations who are not receiving funds from your Circle know of your decision, too.

Step Nine – Define Partnership with Grant Recipient

Do members of your Giving Circle want to volunteer for an organization you have funded? Your Circle should define the ways they could offer assistance. Web development, finances, program planning, legal work, and mentoring are some examples of how your members might get involved. You may ask the nonprofit to identify their current or frequent volunteer needs. Be clear about expectations of all involved – on both sides of this new partnership. Enjoy your new relationships with good causes!

Step Ten – Evaluate Your Giving Circle

On a regular basis, examine the short term and long term goals of the Giving Circle. This will help develop a sense of satisfaction with the work you are doing and show how your contributions have made a difference. Try to determine what impact the group has had. Candid feedback from the organizations you have funded and partnered with will be an important ingredient of this process.

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