

FUNDAMENTALS OF FAMILY PHILANTHROPY WEBINAR

# Going Beyond the Private Foundation: An Exploration of Vehicles

March 11, 2021 | 12:00-1:15 PM ET

## Featuring:

**Will Fitzpatrick**, Will Fitzpatrick PC

**Mark Newhouse**, Left Behind Workers Fund and  
Innosphere Fund

**Sharon Schneider**, Integrated Capital Strategies

**Eric Stephenson**, Align Impact

# Fundamentals of Family Philanthropy

The monthly *Fundamentals of Family Philanthropy* webinar series provides guidance on the core tenets of effective family philanthropy—from motivations and values to governance, grantmaking, and succession. The series equips giving families with the latest information on evergreen topics in the donor lifecycle through practical takeaways and diverse family stories that illustrate important practices. Designed for seasoned practitioners and newcomers alike, the series is available to our Friends of the Family and Partner Subscriber organizations.



## **Effective Governance: Principles, Policies, and Practices**

April 8 | 12-1:15pm ET



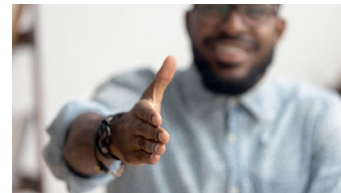
## **Demystifying Decision Making**

May 13 | 12-1:15pm ET



## **Building a Social Impact Strategy and Approach**

June 10 | 12-1:15pm ET



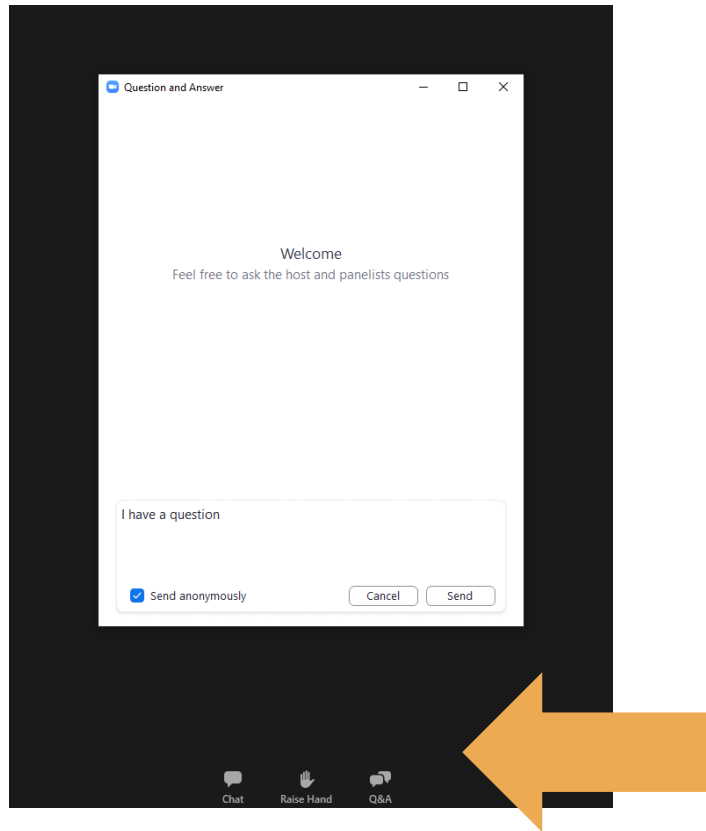
## **Grantee Relationships and Power Dynamics**

July 8 | 12-1:15pm ET

# Today's Conversation

- **What** vehicles can families leverage for impact?
- **How** do different decision factors influence vehicle choice?
- **Why** focus on giving vehicles and structure?
- **Questions** for families and their advisors and **perspectives** from panelists

# Submit Your Questions



Submit your questions into the Q&A box on your control panel at the bottom of the screen

# Webinar Logistics

- If you have sound problems listening through your computer, try switching to a landline telephone or cell phone
- To ask a question, type it into the Q&A box on your control panel at the bottom of your screen.
- If you experience technical problems, please use the question box or email [jen.crino@ncfp.org](mailto:jen.crino@ncfp.org). Should there be a broader technical issue, we will send an email and share a message on screen
- This webinar is being recorded and a replay will be made available to the field
- You may chat with us on twitter during or after the webinar using the hashtag #ncfpweb
- Keep an eye out for our post-webinar survey. We rely on your feedback!

# Today's Speakers



**Will Fitzpatrick**

Principal,  
Will Fitzpatrick PC



**Mark Newhouse**

Co-Founder, Left Behind  
Workers Fund  
General Partner,  
Innosphere Fund



**Sharon Schneider**

Founder and  
Principal,  
Integrated Capital  
Strategies



**Eric Stephenson**

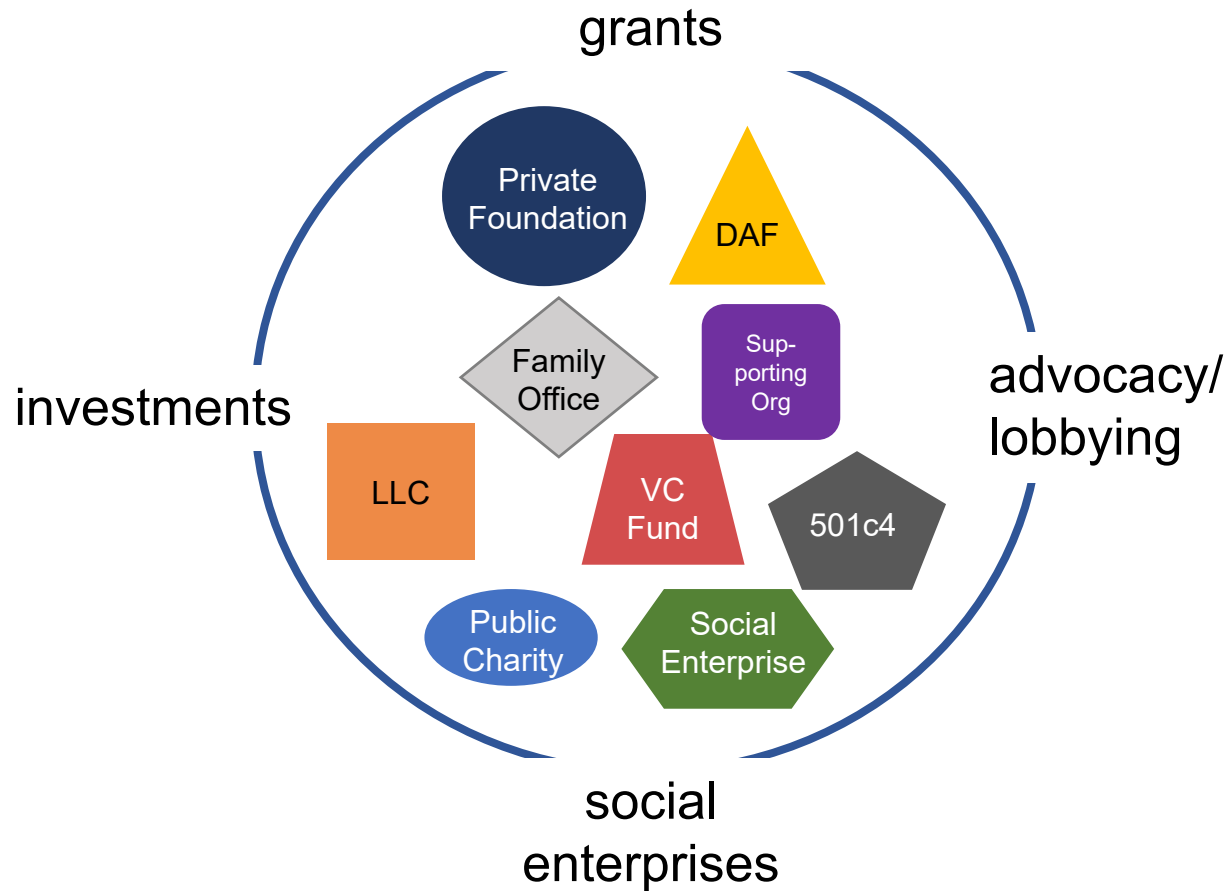
Director of Operations,  
Align Impact  
Co-Chair, Cordes  
Foundation

# Going Beyond the Private Foundation: An Exploration of Vehicles

National Center for Family Philanthropy  
March 11, 2021

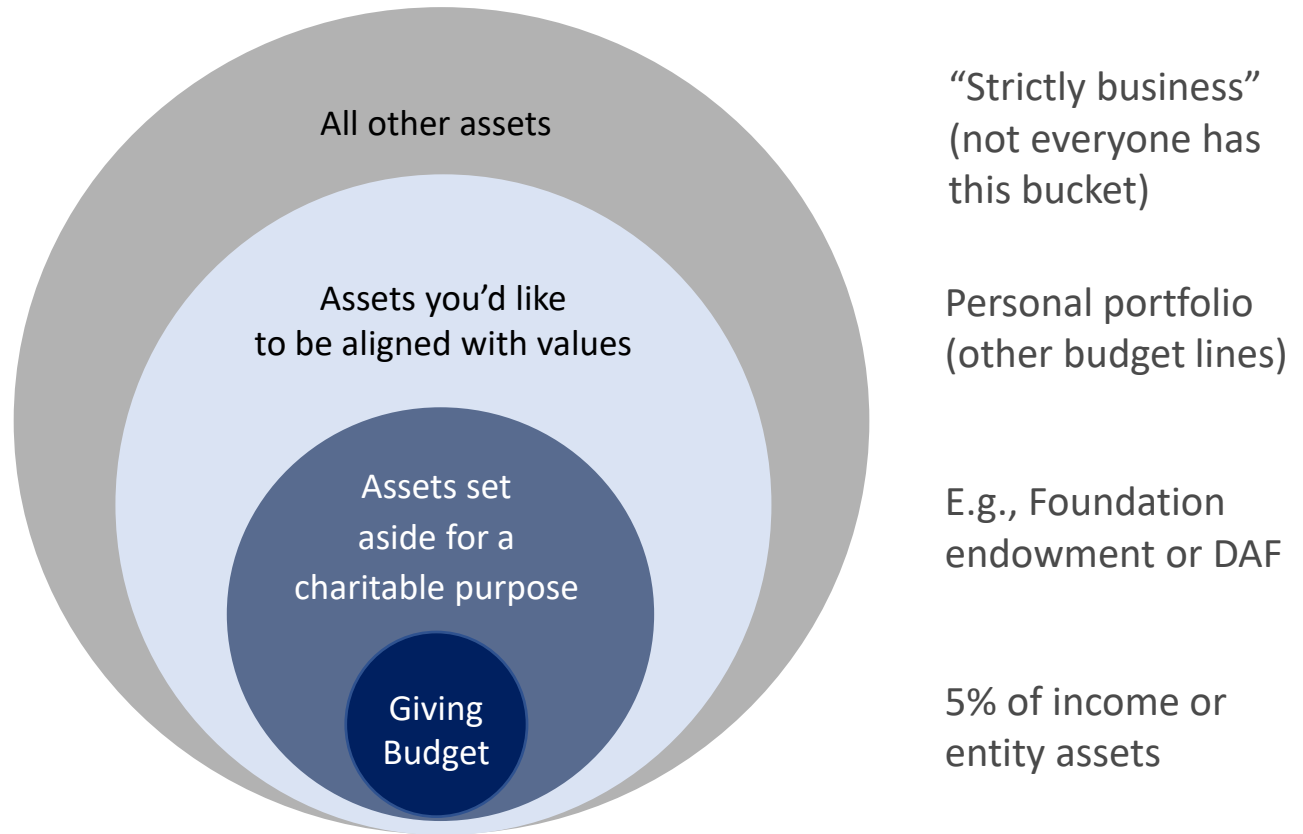
Sharon Schneider,  
Integrated Capital Strategies

# Evolving approach for achieving impact

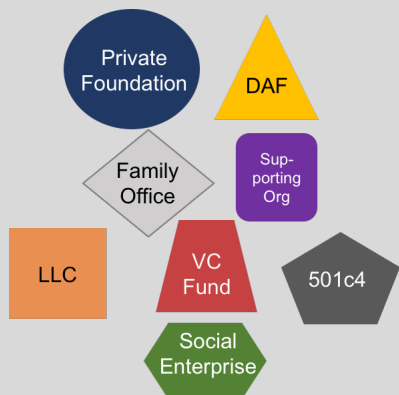




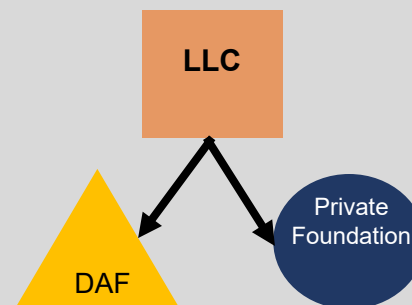
# What assets do you want to activate?



We researched why founders choose certain **entity types** for their impact efforts,..



... and how they link these entities in **operating models**



Research conducted in partnership with:



These operating models can vary significantly,  
even if they utilize the same entity types



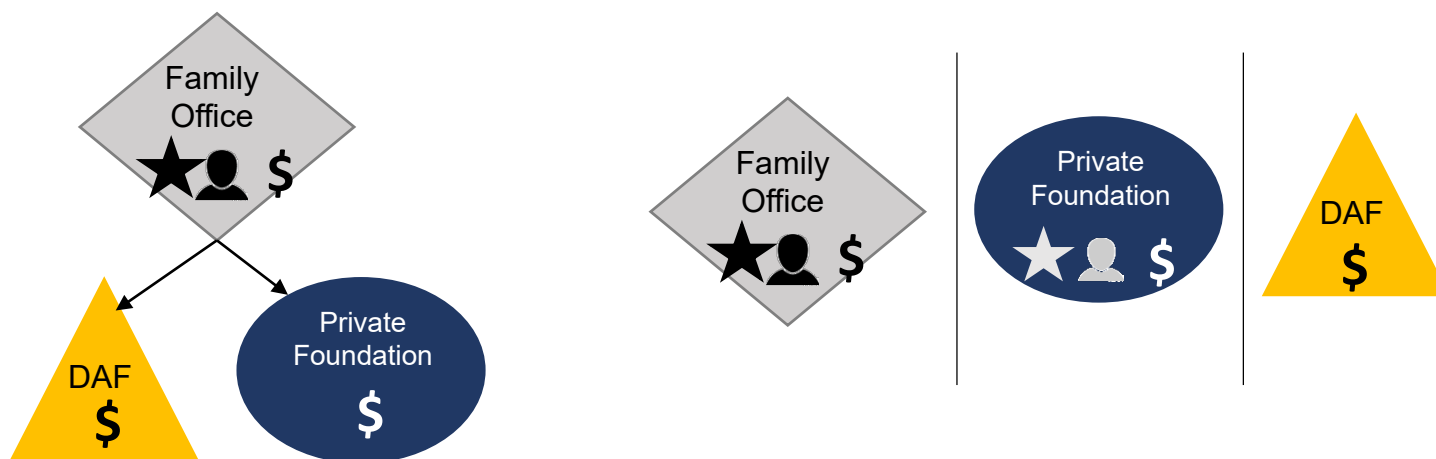
= leadership



= staff



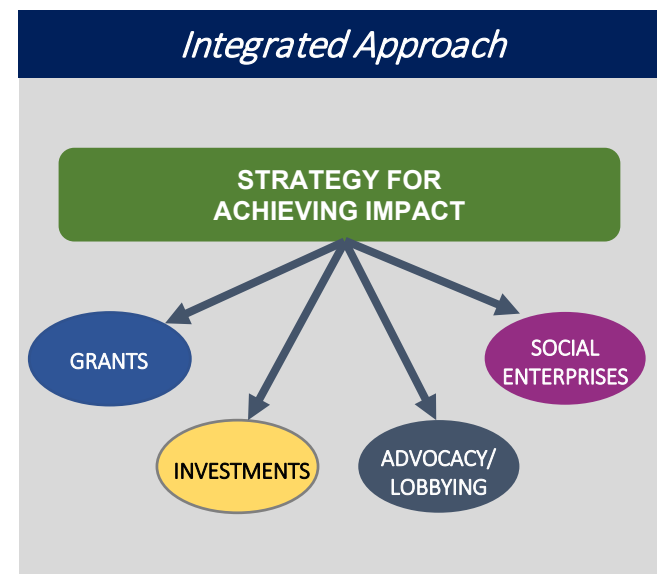
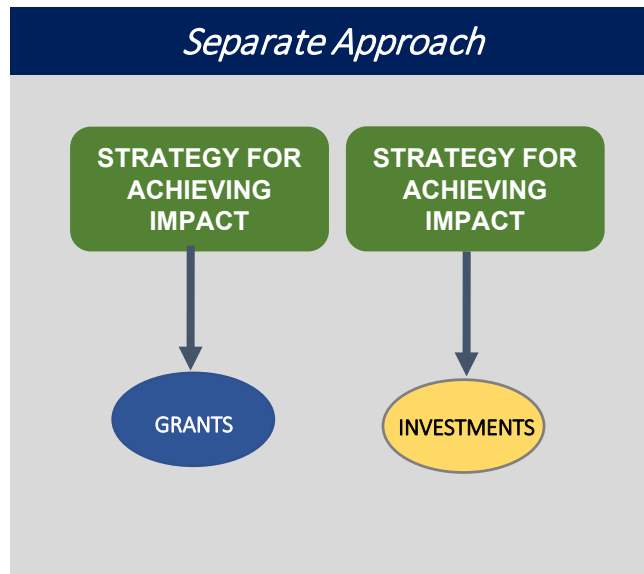
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# Decision Factors

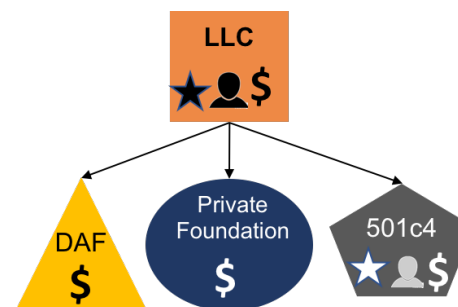
1. Choice of impact tools
2. Philosophy for achieving impact goals
3. Prioritization of tax considerations
4. Desired level of control vs. community
5. Comfort with public identity
6. Appetite for entity building
7. Leverage top talent
8. Concern about conflicts of interest
9. Anticipation of evolution (family)

The founder's philosophy about integration strongly influences operational structure



	<i>Separate Approach</i>	<i>Integrated Approach</i>
<b>Entities</b>	Separate entities for each impact tool type	Entities that can utilize a range of a tools
<b>Leadership</b>	In each entity	Centralized leadership and strategy ownership
<b>Assets</b>	In each entity	In each entity
<b>Staff</b>	In each entity	Centralized

*Example:*



New focus areas  
Adoption of new impact  
tools  
Change in founder/family  
engagement  
Evolving impact strategy

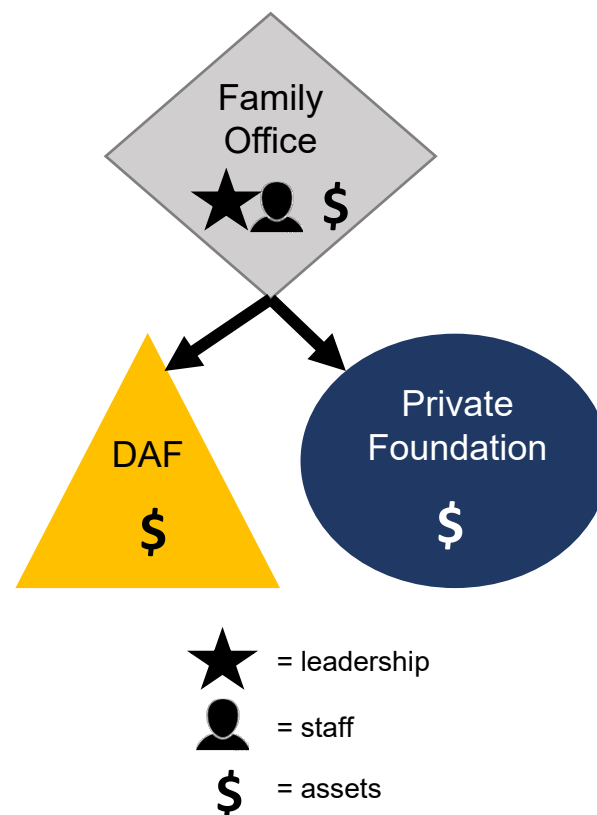
**Anticipate change &  
build for evolution**

**Preferences for**  
each decision factor + **Prioritization of**  
decision factors = **Optimal legal &  
operational model**



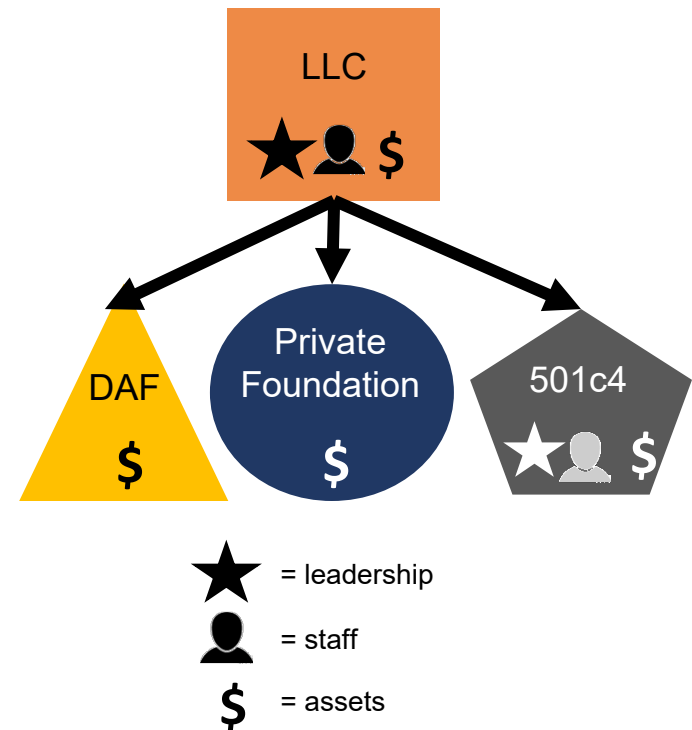
# Operating Model Example: Archetype A

1. Choice of impact tools	<i>Grants:</i> Foundation, DAF <i>Investments:</i> Family Office
2. Strategy for achieving impact goals	<u>Separate:</u> Investment focus areas are distinct from grant issue areas Thematic approach for both
3. Prioritization of tax considerations	High
4. Desired level of control	High
5. Comfort with public identity	Low
6. Appetite for entity building	Low
7. Leverage top talent	Want flexibility with staff roles Leveraged family office inv staff
8. Concern about conflicts of interest	Low
9. Anticipation of evolution	Did not prioritize this



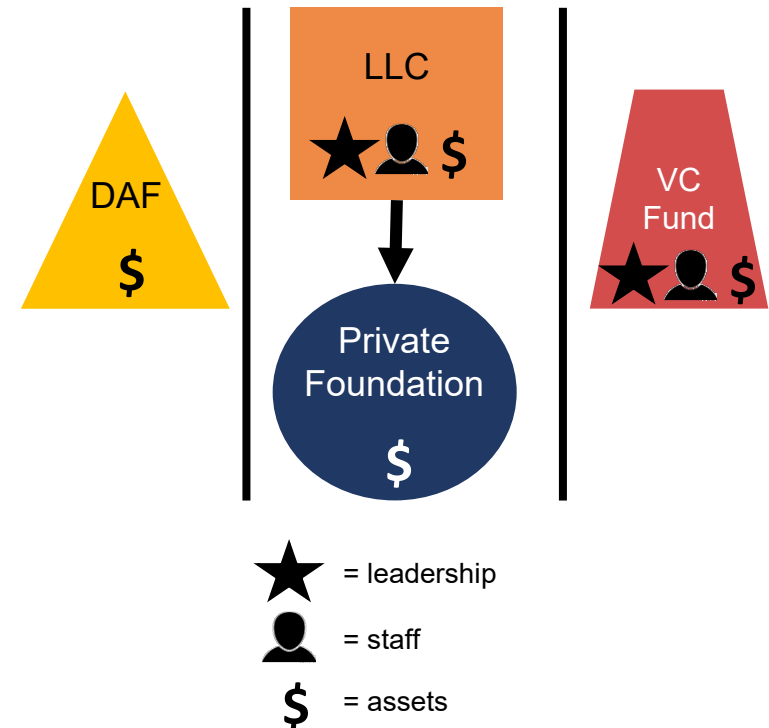
# Operating Model Example: Archetype B

1. Choice of impact tools	<i>Grants:</i> Foundation, DAF, LLC <i>Investments:</i> LLC, Foundation <i>Advocacy:</i> 501c4
2. Strategy for achieving impact goals	<u>Integrated</u> , with strategy ownership by leaders/staff in LLC Systemic approach
3. Prioritization of tax considerations	Medium
4. Desired level of control	High
5. Comfort with public identity	Harness for good
6. Appetite for entity building	High
7. Leverage top talent	High
8. Concern about conflicts of interest	Medium
9. Anticipation of evolution	Low



# Operating Model Example: Archetype C

1. Choice of impact tools	<i>Grants:</i> Foundation, DAF, LLC <i>Investments:</i> LLC, VC Fund
2. Strategy for achieving impact goals	<u>Separate:</u> Philanthropy & investments focus on same issue area but driven by completely separate strategies for impact
3. Prioritization of tax considerations	High
4. Desired level of control	High
5. Comfort with public identity	Very low
6. Appetite for entity building	High
7. Leverage top talent	Medium
8. Concern about conflicts of interest	High
9. Anticipation of evolution	Medium



## Questions to discuss with your advisors:

- Which assets do you want to “activate” for impact?
- What are your preferences for each decision factor? Which are highest priority?
- Which entities and operating models best support your preferences?
- How do you want to measure impact? Is a “good cause” good enough?
- What support do you need to do this?

## Panelists

**Will Fitzpatrick:** Attorney; Principal, Will Fitzpatrick PC

**Mark Newhouse:** Impact and Venture Investor; Co-Founder, Left Behind  
Workers Fund; General Partner, Innosphere Fund

**Eric Stephenson:** Director of Operations, Align Impact;  
Co-Chair, Cordes Foundation

# Conversation

# Next *Fundamentals of Family Philanthropy* Webinar

**APR  
8**

## Effective Governance: Principles, Policies, and Practices

Families that are intentional about developing a governance framework are better prepared for decision making and collaboration. Learn about the principles, policies, and practices necessary to ensure good governance in a family philanthropy effort.

**Register at [ncfp.org/events](https://ncfp.org/events)**

# Join a Peer Network

Peer networks are for those interested in connecting to family philanthropy colleagues with similar objectives, challenges, and shared experiences.

**Engaging Youth | Non-family Staff |  
Strategic Lifespan | Board Chair Peer Network**

Email **[Katie.Scott@ncfp.org](mailto:Katie.Scott@ncfp.org)** to learn more and join




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# Questions?

Sharon Schneider  
Integrated Capital Strategies  
[Sharon@incapstrategies.com](mailto:Sharon@incapstrategies.com)



**Thank you for  
joining us!**

**NCFP will send a recording and related resources  
for the webinar to all attendees.**

**Your feedback is critical to our work!**

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