

Impact Vehicles and Structures 2ND EDITION

Aligning Your Organizational Structure With Your Purpose

THE
FAMILY GIVING
LIFECYCLE

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About the Series



The Family Giving Lifecycle is a seven-stage framework that encompasses the breadth and inflection points of family philanthropy and orients donors to effective outcomes.

Impact Vehicles and Structures: Aligning Your Organizational Structure with Your Purpose is the second primer of the series. The primers include worksheets to help you apply the concepts to your work as well as a playbook that you can create with your family to codify decisions and plan your course of action. The Lifecycle framework applies to families at all stages of their philanthropy, whether they are wealth creators just starting out or multi-generational families improving their practice. It is important for donors and their families to revisit the seven inflection points over time as their philanthropy evolves. Please visit the National Center for Family Philanthropy (NCFP) [website](#) for the complete series of primers and related resources.

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Introduction

Social impact vehicles are organizational structures used to manage your philanthropic resources, employ your social impact strategy, and achieve your philanthropic purpose. Some vehicles are informal, but most require legal incorporation, structured oversight, and monitoring of state and federal regulations.

Philanthropy takes many forms. Families have a wide range of options for what to give and how to give. The selection of a social impact vehicle is an important consideration in the pursuit of effective philanthropy. Options range from charitable structures such as private foundations to private-sector benefit corporations, vehicles that can influence public policy, peer-sector giving circles, and more. You can use one or several vehicles, drawing on their differing strengths as your strategy evolves or the number of family members increase.

Choosing the social impact vehicle that is right for you leads to more impactful philanthropy. While the possibilities are exciting, the choices can be overwhelming. With careful reflection you can make more informed decisions about which social impact vehicles can best support your philanthropic purpose and strategies.

We invite you to:

- Budget the resources you will use for social impact
- Decide which factors will be most important to you and your family
- Understand the benefits and drawbacks of the types of vehicles
- Prioritize your final choices

As you consider the many choices. Start assessing your options by thinking in terms of how **form follows function**.

- **Function** is what you want to accomplish—your purpose and the related goals and tasks.
- **Form** is the structure or container for those functions. A successful form helps you fulfill your goals based on criteria that are important to you, such as ease of use or affordability.

In philanthropy, the principle becomes: *my choice of vehicle(s) must support my goals for social impact*. This primer will help you understand which vehicles are best positioned to complement your goals.

There are many legal, tax, and regulatory nuances to the selection and management of a philanthropic vehicle. Please consult with your financial, tax, and legal advisors for proper guidance. The primer does not take into consideration regulations outside of the United States. Note that very few advisors have experience in creating or managing all of the options discussed in this primer, and some advisors are compensated to recommend or manage specific vehicles, so we recommend you do significant diligence on any advisor you use.

Budgeting Your Resources

To determine the social impact vehicle that best meets your needs, first decide what resources you want to commit to your philanthropy now and in the future. As outlined in the *Fundamentals of Family Philanthropy* primer, donors often think about their resources as their “5 Ts”:

- **Time:** The hours and frequency of those hours that you devote to philanthropy, including managing an incorporated vehicle and any advisors, staff members, consultants, and volunteers
- **Talent:** Your skills, knowledge, professional expertise, and creative energies
- **Ties:** Your relationships with other people, businesses, and organizations
- **Testimony:** The power of your voice and reputation to educate and inspire others and advocate for a cause
- **Treasure:** Money, goods, stocks, business interests, and other assets you contribute to your philanthropic efforts

Your resources will constantly evolve. Life stages and experience often dictate engagement strategies. Changing caregiving or job duties might decrease your time. A new certification or professional experience might increase your desire to use your skills for a cause. Natural disasters, elections, and other events can inspire you to give more and encourage others to get involved. Remain flexible.

Why is budgeting your resources important?

Committing to effective family philanthropy means rightsizing your vehicles to fit the available resources. Rightsizing creates more efficient use of your resources and often leads to more meaningful experiences for family members. For instance:

- **If you're short on treasure but have a surplus of time,** a good choice of vehicles includes volunteer work or collaborative tools such as crowdfunding campaigns and giving circles.
- **If you have little time but want to dedicate meaningful financial resources** to social impact, you might turn to vehicles such as donor-advised funds and impact investing funds.
- **If you have a significant amount of all types of resources,** it may lead to you founding new organizations such as social enterprises, private foundations, or advocacy organizations.

Portfolio of Philanthropic Resources

What mix of resources do you want to dedicate to social impact? How will you use those resources to achieve your philanthropic purpose? Use this worksheet to help you—and/or others you'd like to involve—think through the resources you're using now and what you'd like to explore in the future.

Remember the 5 Ts of resources that achieve social impact:

- **Time:** The hours and frequency of those hours that you devote to philanthropy
- **Talent:** Your skills, knowledge, professional expertise, and creative energies
- **Ties:** Your relationships with other people, businesses, and organizations
- **Testimony:** The power of your voice and reputation to educate and inspire others and advocate for a cause
- **Treasure:** Money, goods, stocks, business interests, and other assets you contribute to your philanthropic efforts

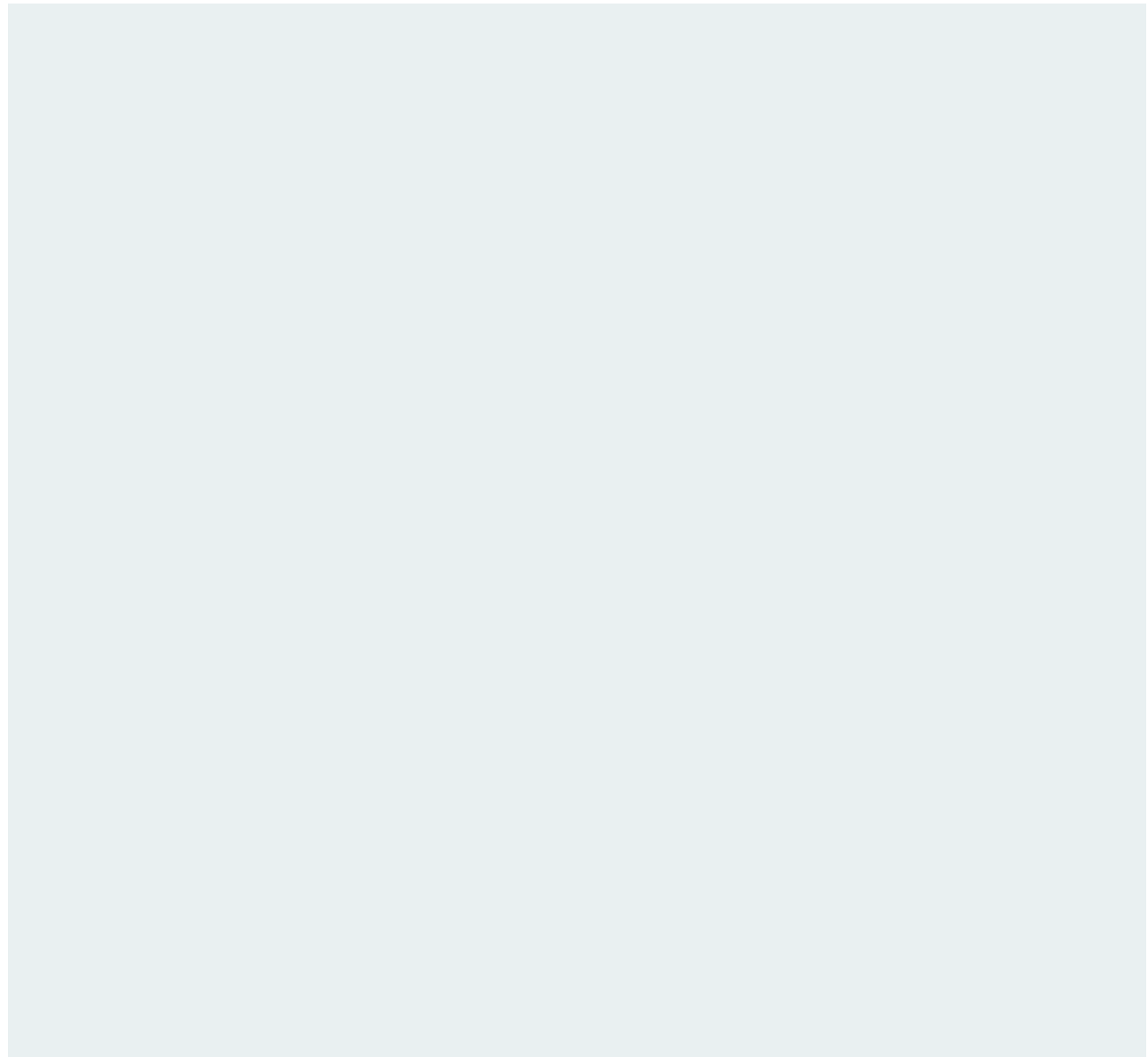
Before you start this worksheet, it may be helpful to have on-hand documents that describe your philanthropic purpose. They could be a vision or mission statement, a list of values, or the priorities (populations, places, issues, or ideals) you've established. Note also that a conversation with your wealth or tax advisor could reveal new options for gifts of appreciated assets or gifts through insurance or retirement plans.

1. List current uses of resources

Start by listing the 10 to 12 largest uses of your philanthropic resources during the past 12 months. Do your best to estimate the total amount of resources you provided (e.g., \$1,000, 5 boxes of clothes, 24 hours of committee meetings, or 12 hours of online advocacy). And don't forget to think about all the ways you're making a difference—informal volunteering, giving to public charities, advocating for causes or political candidates, socially responsible purchasing and investing, and more.

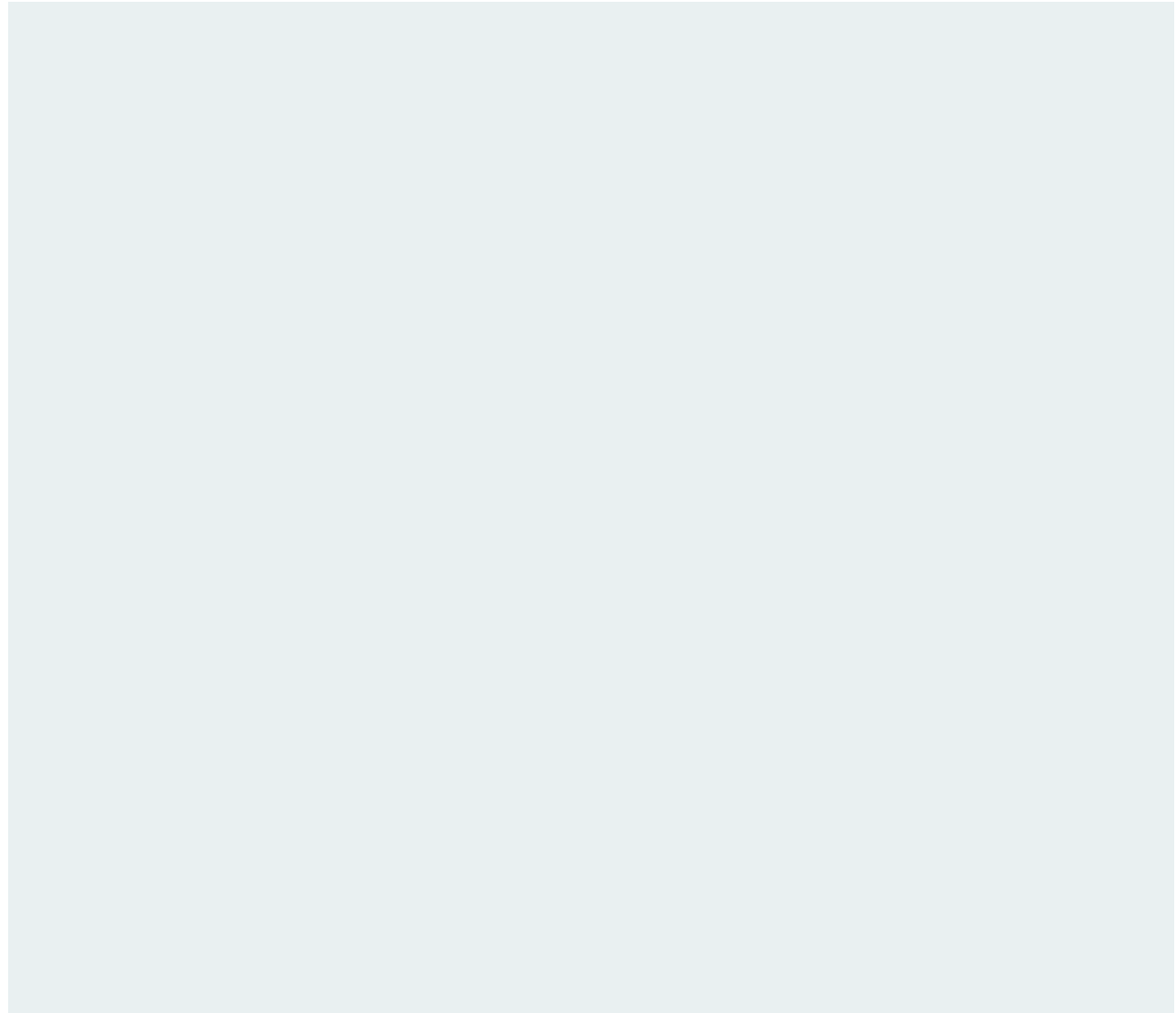
Cause or Organization	Treasure Donated	Time, Talent, Ties, and/or Testimony Dedicated

What do you like and dislike about some of the ways you use your resources? How much do they connect with your philanthropic purpose and priorities?

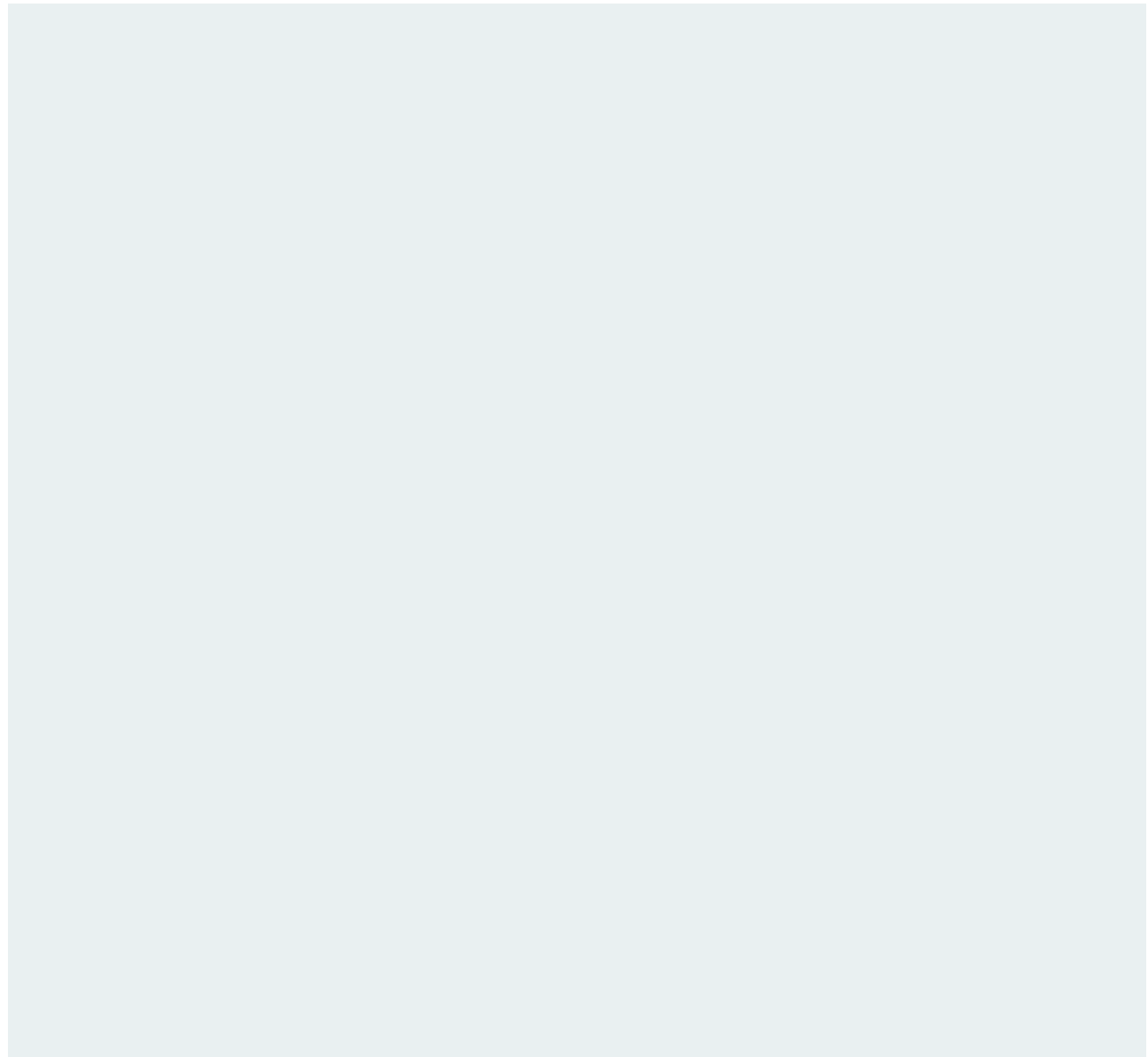


2. Look ahead to the next five years

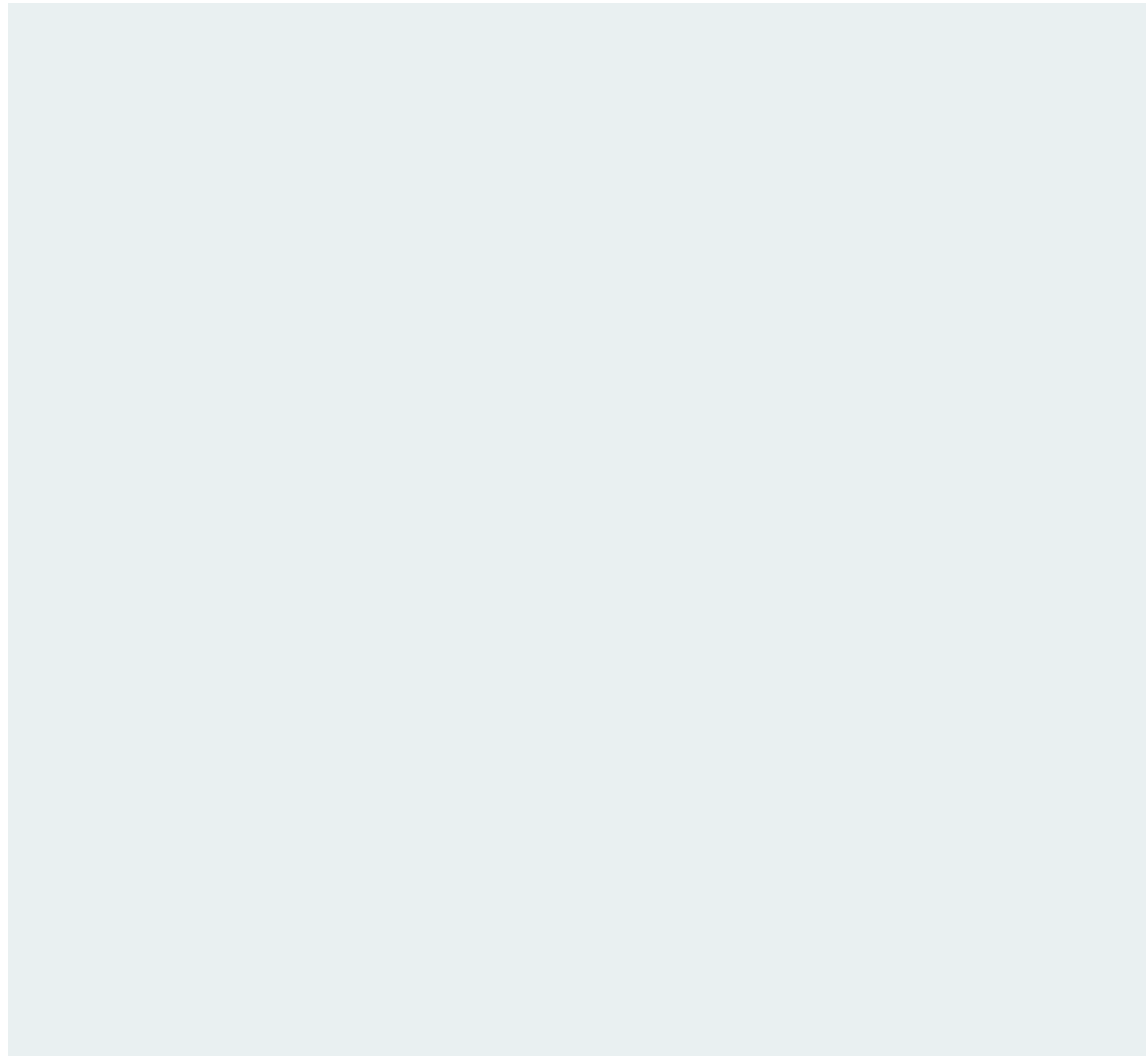
What might change in your life that could affect the treasure you want to dedicate to philanthropy and social impact?

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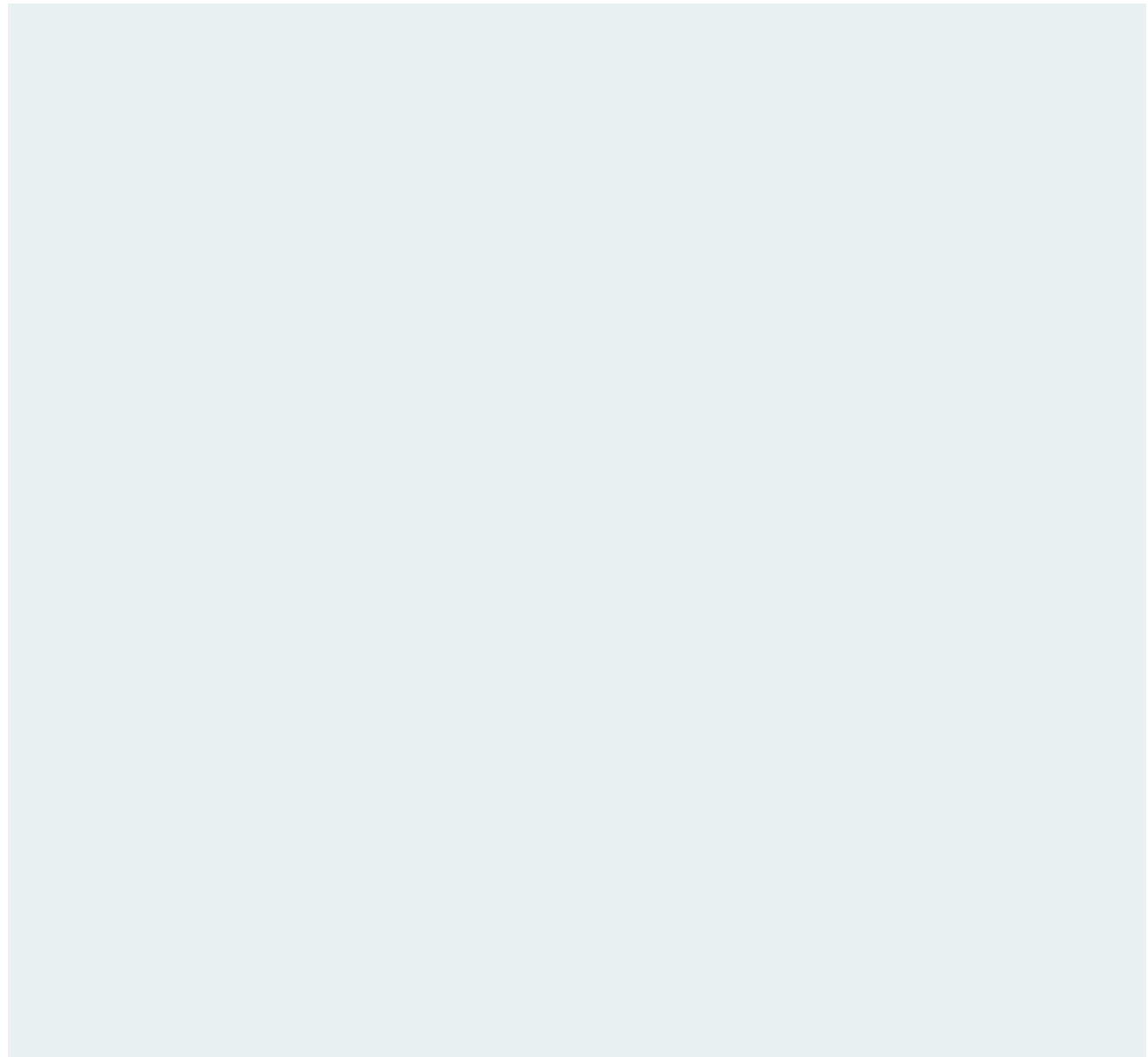
What might change in your life that could affect the time, talent, ties, and testimony you want to dedicate to philanthropy and social impact?



What trends or significant events might affect the issues and causes in your philanthropic priorities?
What might increase demand for your resources?



What trends or significant events might affect the populations and communities in your philanthropic priorities? What might increase demand for your resources?



3. Make a plan

Given your answers to the previous questions, are there intentional shifts you want to make in the availability and use of your resources for social impact? Use the chart below to plan for those shifts.

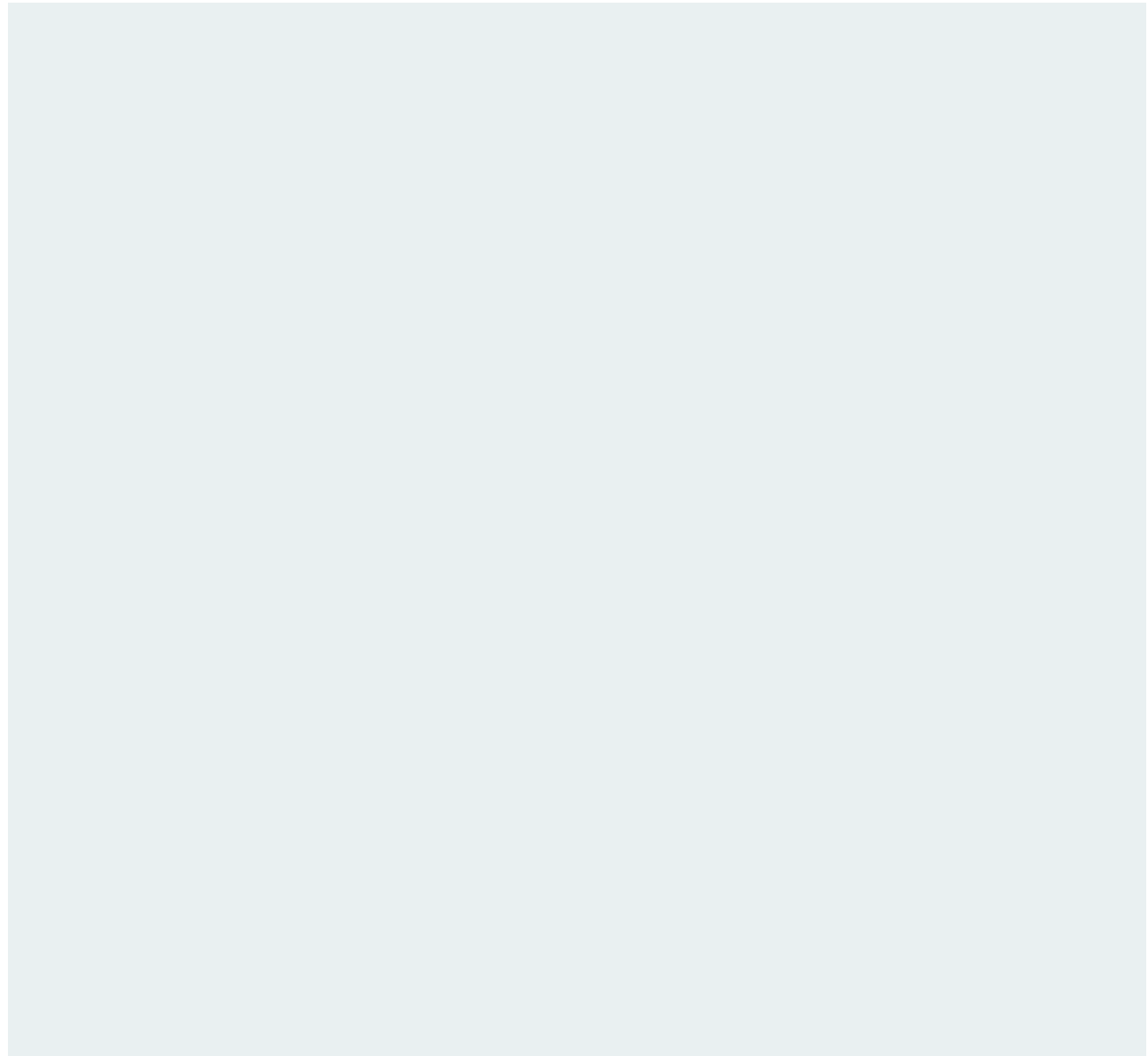
- In the timeframe columns, you can simply write “increase,” “maintain,” or “decrease.” Or, if you know details, you can be more specific—for example, “Reduce the number of boards I serve on,” “Start giving from my IRA,” or “In year X, assist Ms. Young with her mayoral campaign.”
- Use the last column for any action steps you want to take to prepare for those intentional shifts.

Use of Resources for Social Impact	Timeframe: 1–2 years	Timeframe: 3–5 years	What will I do to prepare for this shift?
Time			
Primary uses of talents, ties, and testimony			
Treasure: Percent of income			

Use of Resources for Social Impact	Timeframe: 1-2 years	Timeframe: 3-5 years	What will I do to prepare for this shift?
Treasure: other assets			
Treasure: Money already in or added to an impact vehicle			

Next Steps:

Who do I want to talk with
or what more do I want to
learn to clarify how I could
use my 5 Ts?



Prioritizing Factors

All social impact vehicles have distinct characteristics that define their functionality. As you consider which vehicle is best for you and your family, it is important to assess the factors that are most aligned with what you may need—keeping in mind that form always follows function.

The most common factors that drive decisions about social impact vehicles are purpose, resources, people, timespan, and privacy. You'll use the worksheet in this section to create your initial priorities. You'll then review your choices and refine your priorities before making a decision in the final section of this primer.


1. Purpose: Understanding the *why* of your philanthropy helps you choose the vehicle(s) with the greatest flexibility to achieve your purpose. For instance, if your purpose includes a focus on family engagement, longer-term vehicles such as family offices or family foundations might be the best choice. On the other hand, a mission focused on policy change could lead to a more flexible structure such as a 501(c)(4) or limited liability company (LLC).

2. Resources: In addition to budgeting your resources, it is important to reflect upon three critical questions about their uses:

- Will a wealth event or the type of appreciated assets you own focus your attention on tax-deductible gifts to charitable vehicles?
- Does the amount of financial assets you can dedicate justify incorporating a legal entity and managing its operations and upkeep?
- Does the ownership of the assets matter to you? For example, assets in a private foundation or donor-advised fund are owned by that charitable entity and permanently dedicated to charitable goals. You can continue to own assets in vehicles such as LLCs and family offices.

3. People: Thinking about the *who* of your philanthropy informs the selection of your social impact vehicle. For example, do you have the desire and time to effectively manage a board of directors or pay and oversee consultants or staff members to manage the vehicle? And consider your family's hopes for a level of control. For instance, if you wish to have a tightly controlled governance model, vehicles such as public charities, donor-advised funds, and public-policy organizations will not be suitable.

4. Timespan: You can choose from a spectrum of options for how long your social impact strategies and vehicles last. Do the causes or communities you support need larger infusions of resources now to make a bigger impact or prevent future problems? Some vehicles such as donor-advised funds, crowdfunding platforms, and political-action committees easily facilitate focused, short-term impact. Other choices, such as private foundations and LLCs, are more useful if you want a vehicle to continue after your lifetime or involve your family for generations.

A background image showing a hand holding a pen over several sticky notes on a light-colored surface. The image is faded and serves as a background for the text.

5. Privacy: Donors have a range of options in how visible their philanthropy is to the public. Some vehicles allow you to be completely anonymous while others require that you make financial reports available to the public. And some vehicles help you use your voice and reputation to attract action from other donors or a company's employees and suppliers.

Why is prioritizing important?

Prioritizing the factors your philanthropy requires will help you determine the suitability of one or more social impact vehicles. The social impact vehicle you choose can limit which resources and strategies your family can use for its philanthropy. But, like with many other important decisions, you and your family may alter, adjust, or add vehicles over time as your priorities shift alongside other changes in your family, work, education, health, and wealth. Determining the factors of your philanthropy that are most essential as your efforts evolve will ensure that your vehicle will most effectively move you toward your social impact goals.

Prioritizing Factors

The following chart lists factors that most often influence donors’ choices of social impact vehicles. There are no right or wrong answers to how you prioritize the factors. The “priority for me” column is for ranking the importance of each factor to your personal philanthropy. The “priority for family” column is for how important you think each factor would be in a vehicle you and your spouse, partner, family members, or family business collectively guide. Use these values in each column:

- **A range of 1 through 5**, with 1 as “not important at all” and 5 as “very important”
- **0 for “off the table”**—something that should never be considered
- **U for “unsure”**

Note that after reviewing the rest of the primer, you might revisit your answers to this worksheet.

Decision Factor	Priority for Me	Priority for Family
Philanthropic Purpose		
Give to nonprofits that are not 501(c)(3) public charities (e.g., advocacy nonprofits and civic clubs in the United States or nonprofits in other countries)		
Contribute to groups of individuals or businesses (e.g., emergency assistance, scholarships, innovation prizes)		
Develop and run new programs or create new products to benefit others		

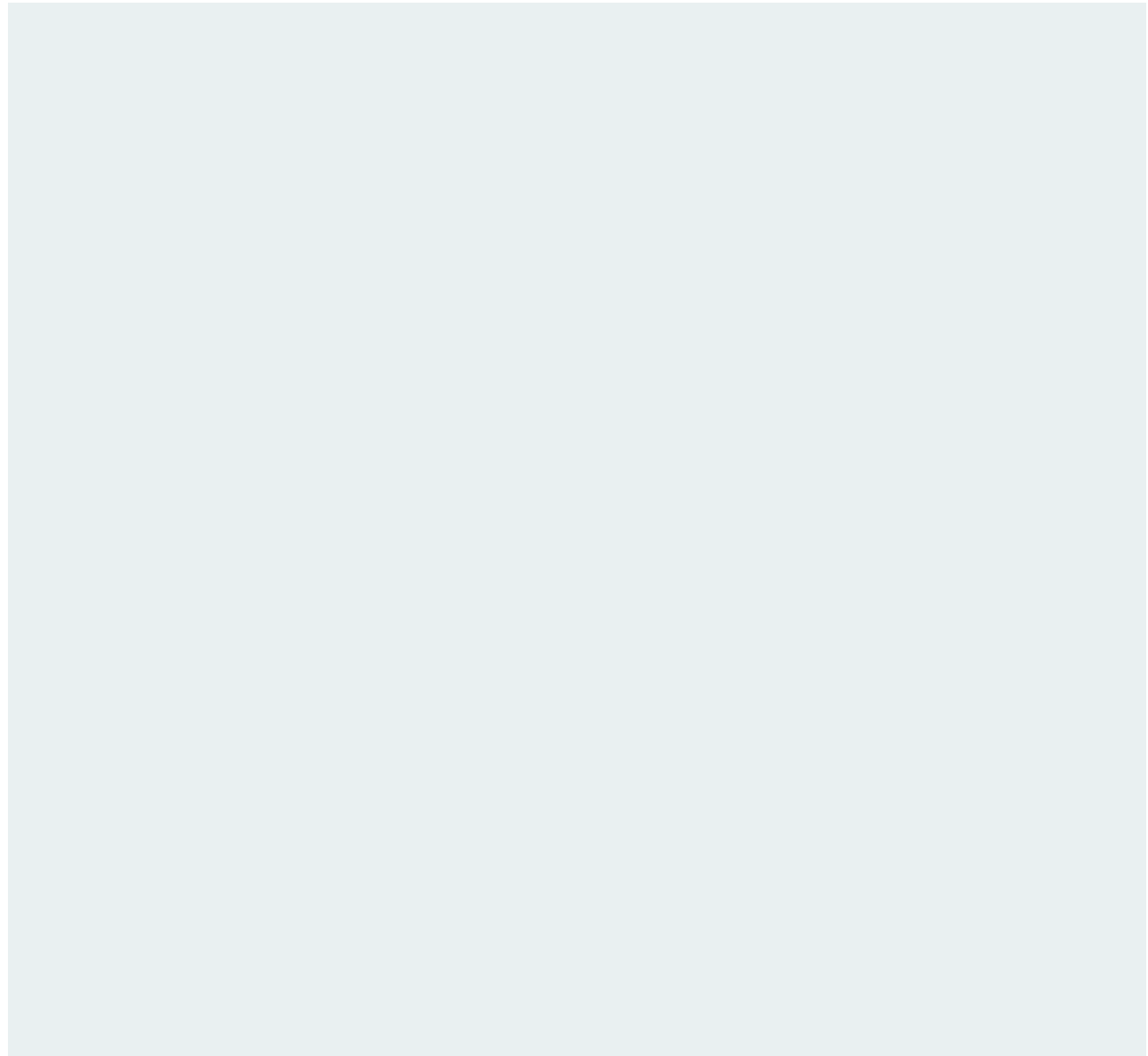
Decision Factor	Priority for Me	Priority for Family
Align my investments with my values or social or environmental goals		
Engage in advocacy—influencing general policies and practices of public agencies, speaking out about a cause		
Engage in lobbying—influencing specific legislative acts, bills, resolutions, ballot measures, or political appointments		
Flexibility to combine or change strategies and vehicles over time		
Resources		
Maximize tax deductions for my business or me during my lifetime		
Maximize the reduction of estate taxes		
Maximize the ability to redistribute resources and repair harms within our family or within the communities we serve		
Use my time and talent to manage the vehicle		
Ability to choose, hire, and manage consultants, investment advisors, and/or staff members		

Decision Factor	Priority for Me	Priority for Family
People		
Empower people closest to problems and solutions to decide how to use my philanthropic resources effectively		
Maximize opportunities for collaborating with other people, businesses, or funders and leveraging contributions of their resources		
Increase family members' ability to use wealth responsibly		
Maximize opportunities for multi-generational family collaboration over time		
Timespan		
A cost-effective way to achieve social impact in a few months or a few years		
Maximize flexibility to change the vehicle's lifespan based on changes in community needs or the involvement of family members		
The vehicle can last beyond my lifetime		
My family members or other people I choose can control the assets after my lifetime		


Decision Factor	Priority for Me	Priority for Family
Privacy		
Some or all my gifts or investments in the vehicle can be anonymous		
The vehicle's finances, including grants, are available to the public		
Use the vehicle to attract attention and resources to a cause; influence and leverage other resources to the cause		
Other Decision Factors		

Next Steps:

Who do I want to talk with
or what more do I want to
learn to clarify my initial
priorities?



Comparing Vehicles



The list of social impact vehicles in this section reflects the creativity and energy donors bring to their philanthropy. Most vehicles can be categorized into four sectors: charitable, private, public, and peer. There are also ways for families to combine vehicles and use vehicles as umbrellas for others. In this section, you'll learn essential information about the structure, benefits, and drawbacks of each vehicle. (You can find a detailed chart comparing the vehicles in the appendix.)

You'll be able to use information in this chapter to inform how you might choose a social impact vehicle in the last section of this primer. However, we can't provide qualified legal, tax, or financial advice. So, we highly recommend that you discuss vehicles that interest you with your advisors and encourage you to talk with other donors who are using the vehicles.

Types of Social Impact Vehicles

Charitable

- Public charities
- Intermediaries
- Donor-advised funds
- Private foundations
- Supporting organizations
- Split-interest gifts
- Private operating foundations

Private

- Mission-driven businesses
 - Social enterprises
 - Benefit corporations
 - B Corps
 - Purpose trusts
- Impact Investments
 - Portfolio
 - Funds
 - Direct

Public

- 501(c)(4)s
- 527 political organizations
 - Political action committees (PACs) and super PACs
- Campaign committees

Peer

- Crowdfunding platforms
- Giving circles
- Mutual aid networks
- Social movements

Umbrella structures

Family offices, LLCs

Pros and Cons of Each Type of Social Impact Vehicle

	Pros	Cons
Charitable-Sector Vehicles	<ul style="list-style-type: none"> • Offer you and other contributors tax deductions • Are the most used and understood vehicles for social impact • Allow you to use grants in support of nonprofit organizations, offering flexibility • May facilitate family volunteering and giving • Are built to last many years 	<ul style="list-style-type: none"> • With the exception of donor-advised funds, information about the vehicle is public through tax returns • Cannot be used to influence elections but can be used to influence public policy • You cannot personally own the vehicles, and with very limited exceptions, you cannot financially benefit from the vehicles
Private-Sector Vehicles	<ul style="list-style-type: none"> • Allow you to marry profit and purpose, earning financial returns while achieving social impact • Offer flexibility in corporate form, ownership, and management • Give you the ability to engage employees and customers in social impact strategies; and often an ability to involve family members 	<ul style="list-style-type: none"> • Require more resources to create and successfully manage • You do not receive tax deductions for contributions to the private-sector vehicles, though the vehicles can donate to charitable vehicles and receive a tax deduction

	Pros	Cons
Public-Sector Vehicles	<ul style="list-style-type: none"> • Can dedicate all the resources in the vehicle on influencing public policies and government practices, and some of or all resources on influencing elections • Are established for the purpose of attracting and involving other supporters and donors • Are often built to make a more significant impact in the short term 	<ul style="list-style-type: none"> • Offer more limited family involvement • You cannot personally own the vehicles, and with limited exceptions, cannot financially benefit from the vehicles • You do not receive tax deductions for contributions to the vehicles; regulations and limits for contributions by businesses vary
Peer-Sector Vehicles	<ul style="list-style-type: none"> • Have a core purpose of collaboration and collective action • Social movements, mutual aid networks, and some giving circles can influence public policy 	<ul style="list-style-type: none"> • Tax deductibility of donations varies depending on vehicle and project • You cannot personally own the vehicles; your ability to financially benefit varies • Timeframe to achieve impact varies, impact is very dependent on others' will and resources

Charitable-Sector Vehicles

Most donors use one or more charitable vehicles as their primary philanthropic structure. The vehicles are exempt from federal income tax under section 501(c)(3) of the US Internal Revenue Code. To receive a tax deduction, your donation must be irrevocable, which means the vehicle owns the donated assets and controls their use. None of the vehicle's activities or net earnings can unfairly benefit individuals—especially you and your family members and your businesses. Charitable vehicles also have limits on their lobbying activities and cannot support political campaigns or candidates.

Public Charities are designed to operate programs for the public benefit. The millions of public charities in the United States are the organizations that most often come to your mind for gifts and grants. They range from local congregations to United Way Worldwide and from a large urban university to a rural wildlife sanctuary or domestic violence shelter. It is easiest to achieve your philanthropic goals by supporting the existing mission of current charities or discussing establishing a new program or service with a charity.

Some public charities serve as intermediaries, which deliver specialized expertise to donors and foundations. Many offer issue-specific funds or pooled funds that re-grant money to nonprofits, social enterprises, or movements the intermediary has evaluated for quality and impact. The Bridgespan Group and Bill and Melinda Gates Foundation created a [searchable list](#) of more than 200 of such funds. Intermediaries often partner with grantees to strengthen their effectiveness, manage collaborative projects, act as fiscal sponsors, or aggregate resources for impact investments. You'll value working with an intermediary if you like learning with others and leveraging the resources of your peers, or if you prefer to embrace shared services to find and assess good opportunities.

Donor-Advised Funds (DAFs) are charitable investment accounts established by donors at public charities that serve as sponsoring organizations for the accounts. An individual, family, business, or foundation can establish an account, name it, make donations to it, and invite others to donate. The sponsoring organization has legal control over the donated assets and invites you to name people who can use the account and suggest grants to public charities. All sponsors allow for anonymous giving and granting. Some sponsors also allow donors to recommend investment portfolios, impact investments, and grants to other types of nonprofits.

Donor-advised funds are inexpensive to start and there is little administrative burden as the sponsor organization manages all reporting requirements. The sponsoring organization charges an administrative fee to manage the account. You cannot use the account to pay yourself or hire and pay other people you would directly supervise, though a few sponsors allow you to pay for research or advisory services related to your philanthropy.

There are close to 1,200 [active donor-advised fund sponsors](#) managing a little less than 2 million funds. Their policies, practices, and restrictions vary for assets you can donate, fees charged, investment options, minimum grants, eligible grants, payout requirements, and more. They also vary in services to guide your philanthropic decision-making, involve family and employees, or measure impact.

Private Nonoperating Foundations are what you might typically think of when referring to “private foundations.” They are charitable trusts or nonprofit corporations created by an individual, family, or business to provide grants or other support to organizations for humanitarian purposes. Many donors start a private foundation with family in mind: they wish to express the values of the family long term, engage younger generations, and encourage family members to work together over time. Of the more than 126,000 private foundations in the United States, at least 60 percent are family foundations.

A private foundation must have a board of directors or trustees, which controls investment, grant, operational, and other decisions. Within strict limitations set by the IRS, you or your family members may be compensated for your work on the foundation. Moreover, a private foundation can employ staff members to administer the resources.

Foundations may accept most any kind of asset, including private equity and real estate; however, there are limitations to holding family business interests. Expenditures from, and larger donations to, private foundations are publicly disclosed in an annual tax filing. The IRS offers an online guide to incorporating a private foundation and managing the tax returns and compliance issues.

With limited exceptions, the IRS requires private foundations to distribute at least five percent of the value of their net investment assets in the form of grants or eligible administrative expenses (also known as the required minimum distribution rule). According to NCFP’s [Trends 2025 report](#), many private foundations distribute more than five percent annually.

Some donors have goals that require less-used, specialized charitable vehicles. These vehicles include:

- **Supporting Organizations:** A supporting organization receives its public-charity status because of its operational and governance relationship with one or more 501(c)(3) public charities or units of government. That supported organization is often a community foundation, Jewish Federation, university, or hospital. There are nuanced complexities in the roles you and the organization can take, depending on the type of supporting organization. For example, based on the type, the supported organization can appoint at least one or a majority of the board members in cooperation with you. It typically retains some oversight duties and handles some or all back-office operations. In return, you might set things such as your investment and payout policies, operating budget, and grantmaking goals. You may also involve family members on the board, hire staff members, and run programs and services. Many donors see supporting organizations as an alternative to a private foundation.
- **Split-Interest Gifts:** These vehicles are often integral to estate and wealth transfer planning and include charitable remainder trusts, charitable lead trusts, charitable gift annuities, and pooled-income funds. In each case, a portion of your gift, often of a highly appreciated asset, is tax-deductible and benefits one or more charities or foundations. The other portion creates an income stream for you or loved ones. The timing, length, and amount of that income depend on the vehicle. To operate the vehicle, you'll rely on an expert such as a charitable organization or attorney.
- **Private Operating Foundations:** Some donor families want to use their charitable dollars to create and actively manage programs or facilities such as museums, research centers, or camps. The family, or an endowment they establish, pays for most or all the operations though they can invite others to contribute and receive the same tax benefits as gifts to a public charity.

Private-Sector Vehicles

Many people and businesses hope to connect purpose and profit. Some want to align their money and their values. Some want to use the size and scale of the private markets because those markets are larger than the nonprofit and philanthropic sectors. And others seek the freedom to innovate and earn financial returns they see absent in nonprofits and government agencies. Private-sector vehicles help you achieve those goals and more.

Mission-Driven Businesses: Your entrepreneurial spirit might be calling you to launch your own mission-driven business or to transform your family business or family office to be more mission-driven. You can pursue one of these options to increase accountability to that mission:

- **Social Enterprise:** A for-profit organization that addresses an unmet need or solves a social or environmental problem through a market-driven approach. One example is a business that donates one unit of its product for every unit sold. Individuals, businesses, and nonprofits can establish social enterprises.
- **Benefit Corporation:** A type of business authorized in more than thirty states that, through its incorporation documents, is required to have a positive impact on society and the environment, even at the expense of maximizing profits. The business can be an S corporation or C corporation and some states allow for versions of limited-liability companies.
- **B Corp:** A business the international nonprofit [B Labs](#) certifies to meet high standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Some B Corps also incorporate as benefit corporations.
- **Perpetual Purpose Trust:** A non-charitable trust that owns a business and protects the business's values and social impact goals over the long term. A trust stewardship committee—which can include family members and other family business employees—governs the trust and votes in favor of the purpose. A trust enforcer ensures the trust is operating in the interest of the founding purpose. Also known as a business purpose trust, this vehicle is a helpful tool for family business transitions.

Impact Investments: You might be familiar with terms such as socially responsible investing, sustainable investing, program-related investments, and more. They're all forms of impact investing, defined by the Global Impact Investing Network as "investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return."

Families often pursue impact investments through one of the following strategies:

- **Investment Portfolio:** More indirect impact through mutual funds, bonds, and other asset classes in domestic and international markets. Examples include investment funds designed to advance gender equality, reduce pollution, or align with a faith tradition. These portfolios are often referred to as socially responsible investing or environmental, social, governance (ESG) investing.
- **Investing in Funds:** More direct impact through being a partner or investor in a venture capital, private equity, or real estate fund dedicated to impact investing. Examples include a private equity fund investing in technologies that expand healthcare access in rural Africa, a timber fund focused on sustainable forest management, and a real estate investment trust for preserving and creating affordable housing in a community.
- **Direct Investing:** Very direct impact through financing an individual company, social enterprise, nonprofit, or project with an explicit environmental or social mission. Examples include a foundation making a zero-percent loan to a nonprofit building a new facility and a family-run company providing seed capital to new ventures owned by entrepreneurs of color.

The IRS has two classifications for private foundations' impact investments. Program-related investments (PRIs) have a charitable purpose as the primary goal and investment return as a secondary goal. They count toward the foundation's five-percent minimum payout. Mission-related investments (MRIs) can have financial return as a primary, or equal, goal to social impact, but do not count toward the five-percent minimum payout. Businesses, families, and other types of foundations and public charities do not need to use the two classifications but sometimes choose to do so.

Mission Investors Exchange's [*Essentials of Impact Investing: A Guide for Small-Staffed Foundations*](#) provides how-to information, and The ImPact offers family-focused resources such as [*Understanding Impact Investing for Families*](#).

Public-Sector Vehicles

Public policies include the laws, rules and regulations, court decisions, and resource allocation decisions made by government agencies. Those agencies range from a school board to the United States Congress. Some people focus on influencing public policy because it affects all aspects of our lives—including the causes that are important to them. Public-sector vehicles rely on ongoing donations from individuals, businesses, and other nonprofits. The donations are generally not tax deductible.

501(c)(4)s: A 501(c)(4) is a social welfare organization such as local civic leagues and service clubs and national nonprofits such as the AARP and American Civil Liberties Union. Both individuals and 501(c)(3) public charities create 501(c)(4)s to help achieve their public-policy goals. As long as lobbying is not their primary nonprofit purpose, 501(c)(4) organizations can actively influence legislation and mobilize people to contact legislators. To a more limited extent, they can endorse candidates or political parties but can't coordinate those activities with the candidates or parties. 501(c)(4)s are not required to disclose their donors.

527 Political Organizations: These nonprofit organizations, defined by Section 527 of the US Internal Revenue Code, are designed to influence the selection, nomination, election, appointment, or defeat of candidates for public office. They include political parties, campaign committees, political action committees (PACs), and independent expenditure-only PACs (known as Super PACs). Individuals and 501(c)(4)s can create 527s. The organizations must publicly disclose their donors to the Federal Elections Commission.



Peer-Sector Vehicles

Do you have a passion for a project or a cause and want to attract other people's resources (time, talent, treasure, ties, and testimony)? Then consider one or more peer-sector social impact vehicles. The vehicles are often more flexible and nimbler than traditional nonprofits or funding sources. Foundations and philanthropists support peer-sector vehicles to:

- **Build the supporter base** for a cause or nonprofit, thereby ensuring more buy-in for solutions and a larger pool of donors or advocates.
- **Test innovative or riskier ideas** or test solutions that are impractical to support through their foundation or donor-advised fund.
- **Engage family members** in giving and civic action with their friends, coworkers, or other family members.

Giving Circles: A giving circle is a highly participative form of collaborative philanthropy. In a giving circle, a group of people with shared interests pool their money, time, and talent and decide together how and where to give those resources away. Donors of all means, ages, and backgrounds are attracted to this vehicle's collective impact and mutual learning. Giving circles often support charitable organizations but sometimes support artists, community projects, and entrepreneurs. You can find resources at [Philanthropy Together](#) to start a giving circle or join one of more than 4,000 circles around the world.

Mutual Aid Networks: In a mutual aid network, people voluntarily exchange money, goods, and services for mutual benefit. The networks prioritize reciprocal relationships and shared well-being over charity. They tend to be egalitarian, purposefully unbureaucratic, and not incorporated. Philanthropists and foundations support mutual aid groups for two primary purposes:

- They believe in grassroots approaches and want to increase the ability of neighbors to solve problems together.
- They want to fill in the cracks in social service, healthcare, or disaster relief systems.

Crowdfunding Platforms: Crowdfunding is the practice of raising small amounts of money from a large group of people. People use these platforms to achieve philanthropic goals such as promoting the arts, supporting entrepreneurs, or helping families become self-sufficient. Donations to crowdfunding platforms are only tax-deductible if the platform itself is a public charity (few are) or a charity is managing the crowdfunding campaign. The more than 1,400 crowdfunding platforms in the United States take four primary forms:

- **Donation:** Giving to a person, business, community project, nonprofit, or cause without expecting something in return. Example platforms range from GoFundMe to Donors Choose to the individual fundraising pages of a charity fun run. The tax-deductibility of donations varies by platform and project.
- **Rewards:** Making or pledging a gift to a person, business, or nonprofit with the expectation of something in return when they create or deliver a product, project, or service. Examples of platforms include Kickstarter and Patreon.
- **Debt:** Lending to another person or business with the expectation (but maybe not guarantee) that the loan will be repaid, perhaps with interest. Example platforms include Kiva and Lending Tree.
- **Equity:** Purchasing or pledging to purchase shares in a company with the hope of a return on the investment. This is the most regulated and complex form of crowdfunding. Example platforms include Wefunder and MicroVentures.

Social Movements: A movement is an organized and sustained effort by a group of people to achieve a shared goal. This goal typically involves creating, resisting, or undoing a change in society's policies, cultural norms, or institutions. They often give voice to marginalized or under-represented groups. Examples are as diverse as Mothers Against Drunk Driving, the pro-life movement, Black Lives Matter, and the disability rights movement. Movements often organize and continue without the structures of traditional nonprofits. Some go on to create a nonprofit or ally themselves with nonprofit partners. You can learn more about how philanthropy supports social movements at the [Building Movement Project](#).

Combining Vehicles

Families are more frequently using multiple vehicles to accomplish their philanthropic objectives. One common reason is to leverage the strengths of multiple structures to achieve different results in a clear and aligned social impact strategy. For example, if a family is focused on access to early childhood education, they might use a private foundation to make grants to education providers but also establish a public policy vehicle to strengthen the representation of values-aligned elected officials. Another reason to use multiple vehicles is to meet the divergent social impact goals and priorities of family members.

Some donors treat their vehicles as distinct entities. Their vehicles don't share a board, a staff, or other resources. Their vehicles might have different philanthropic purposes and values or may share some underlying values and purposes. Other donors integrate their vehicles. They create a unifying strategy for impact through vehicles, or their vehicles share expertise, board members, staff members, investment advisors, and/or office space. And others set up umbrella structures such as an LLC or family office to manage everything.

Family Offices: A family office is a private investment firm that exclusively manages one or more families' wealth and other resources. Family offices can take multiple corporate forms, including an LLC, Partnership, S Corp, or C Corp. Some family offices are primarily investment funds while others provide a range of legal, tax, and related services in addition to managing grants and impact investments. You and your family members can work for the family office.

Limited Liability Companies (LLC): An LLC is a business structure in which the owners are not personally liable for the company's debts or liabilities. It offers great flexibility in involving family members in governance and operations. In tax terms, an LLC is a pass-through structure. Owners receive tax benefits through the LLC when it donates to a charitable vehicle but do not if it contributes to a political organization.


Donors of all means can create LLCs to achieve social impact. These are informally called philanthropic LLCs or charitable LLCs, though they are not nonprofit organizations. The vehicle gives them the most control, flexibility, and privacy in using their resources. For example, an LLC can simultaneously lobby elected officials, make political contributions and charitable grants, invest in social entrepreneurs, and deliver programs.

Making Decisions

You've reflected on your resources. You've prioritized the factors you want. And, you've had a chance to compare options. Now it is time to choose one or more vehicles you might like to use.

The worksheet on page 41 helps you document a short list of vehicles you'd like to explore. Before making final decisions, you'll want to consult with your advisors and other families using the vehicles. As you complete the worksheet, consider these final tips:

- **Start with simple solutions.** Impact is not the result of complex structures. It's born of intention. Many families realize meaningful results through the direct support of existing organizations or partnering with other donors through intermediaries, impact investing funds, and giving circles.
- **Know the total cost.** It's important to understand how much money, time, and reputation you'll be investing to manage a social impact vehicle and comply with related local, state, and federal regulations.

- 
- **Understand cultural norms.** Context matters. Reflect on the systems that you inhabit. For example, the roots of mutual aid run deep in some communities. Others prioritize collaboration. Families also often embrace norms that influence the selection of vehicles. For example, some prioritize transparency while others embrace privacy.
 - **Determine the importance of family involvement.** Family-led vehicles often have two separate but intertwined goals. One goal is to have an intentional social impact. The other is to encourage family connection, participation, ownership of legacy, and generational succession. Most of the vehicles in this guide can help families learn more about their communities or the world. Many also invite families to use their 5 Ts together. Some help with developing specific skills, mindsets, and opportunities.
 - **Consider equity and power dynamics.** The structures and traditions of some social impact vehicles often place unintentional barriers between donors and the people and communities they most want to support. For instance, the anonymity afforded by LLCs and donor-advised funds can lack accountability. Effective philanthropic families and businesses look to break down those barriers and use their vehicles to work collaboratively across generational, ethnic, faith, and other divides.

Making a Choice

Your choice of social impact vehicle(s) should follow your philanthropic purpose and social impact goals, not the other way around. *This worksheet presumes you're considering starting a new vehicle soon or evaluating if you want to continue to manage an existing one. We also highly encourage that, before you make final decisions, you discuss your choices with your family, your advisors, and others using the vehicles.*

1. Look Ahead to Family Involvement

Will it be important to you and your family for your vehicle to help children, grandchildren, or other successors achieve any of the following goals? Check all that apply:

- ☐ A. Continue the philanthropic traditions I've learned from people important to me (e.g., parents, grandparents, or mentors); create an ongoing legacy.
- ☐ B. Develop genuine empathy and a deep passion for giving and volunteering alongside people who aren't like them (e.g., other faiths, ethnicities, income levels, or other backgrounds).
- ☐ C. Continue an emotional attachment to benefitting a specific geography, institution, or cause.
- ☐ D. Learn skills in wise giving and grantmaking.
- ☐ E. Learn skills in group decision-making and collaborative leadership.
- ☐ F. Learn skills in investment management and asset ownership.
- ☐ G. Allow for flexibility in the most comfortable level of visibility for each family member (e.g., anonymity vs. a public persona as a philanthropist).
- ☐ H. Create and lead their own social impact vehicles, carrying on a tradition of entrepreneurship.

The more goals you check, the more likely you'll want a vehicle tailored for family philanthropy. Private foundations, donor-advised funds, supporting organizations, family offices, and LLCs are the most common vehicles for family philanthropy. All are useful for goals A through E. All but donor-advised funds are helpful for goal F. Family offices and LLCs offer the most flexibility and ease for goals G and H.

2. Revisit Your Prioritized Factors

Given what you've read about the social impact vehicles in and your answers to Question 1 above, would you rate your desired factors of a vehicle in the same way? Take some time to revisit your answers to the worksheet on page 21 and see if any of your priorities have changed.

3. Choose Vehicles

	Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy
Which vehicle(s) appear to match the factors you've prioritized? (List as many as you like.)		

	Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy
In the next 6 to 12 months, which one or two vehicles do you most want to explore with your advisors or others you trust?		

How do you see
the vehicle(s)
augmenting your
philanthropic
purpose and
goals?

Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy

	Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy
What other advantages do you see?		

What concerns do you have, if any, about creating or managing the vehicle(s)?

Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy

	Your Philanthropy as an Individual	Your Family's Collaborative Philanthropy
What are your next steps?		

Conclusion

This guide may have opened your eyes to new possibilities for organizing and operationalizing your philanthropy. Or, if you or your family have an existing social impact vehicle, you may now understand additional opportunities to add other vehicles.

As you look ahead, keep in mind the following tips:

- **Form continues to follow function:** Don't let an advisor or peer talk you into a vehicle that doesn't help you act on your philanthropic purpose or fit the functions you desire.
- **Adapt:** You will find that your list of desired factors will change over time. Revisit the priorities before any significant changes to your wealth or mix of resources or as new generations join your work. And continually monitor trends and needs in your philanthropic priorities. Changes in other funders, public policies, the economy, and more may reveal opportunities to use a different vehicle to achieve more significant impact.
- **These (mostly) aren't permanent choices:** You can close most of these vehicles if they are no longer useful. The exceptions are some split-interest gifts which have specific lifespans and donor-advised funds that are endowed.

You can find NCFP's suite of Family Giving Lifecycle resources [here](#). Beyond those resources, you'll find resources from other families and experts, peer learning groups, webinars and conferences, and a team of professionals willing to serve as guides to your philanthropic journey and goals.

Appendix A: Comparison Charts

This appendix provides additional insights into the strengths of each social impact vehicle. As with the rest of the guide, we encourage you to consult with your advisors to explore legal, tax, or financial planning implications.

Lifespan

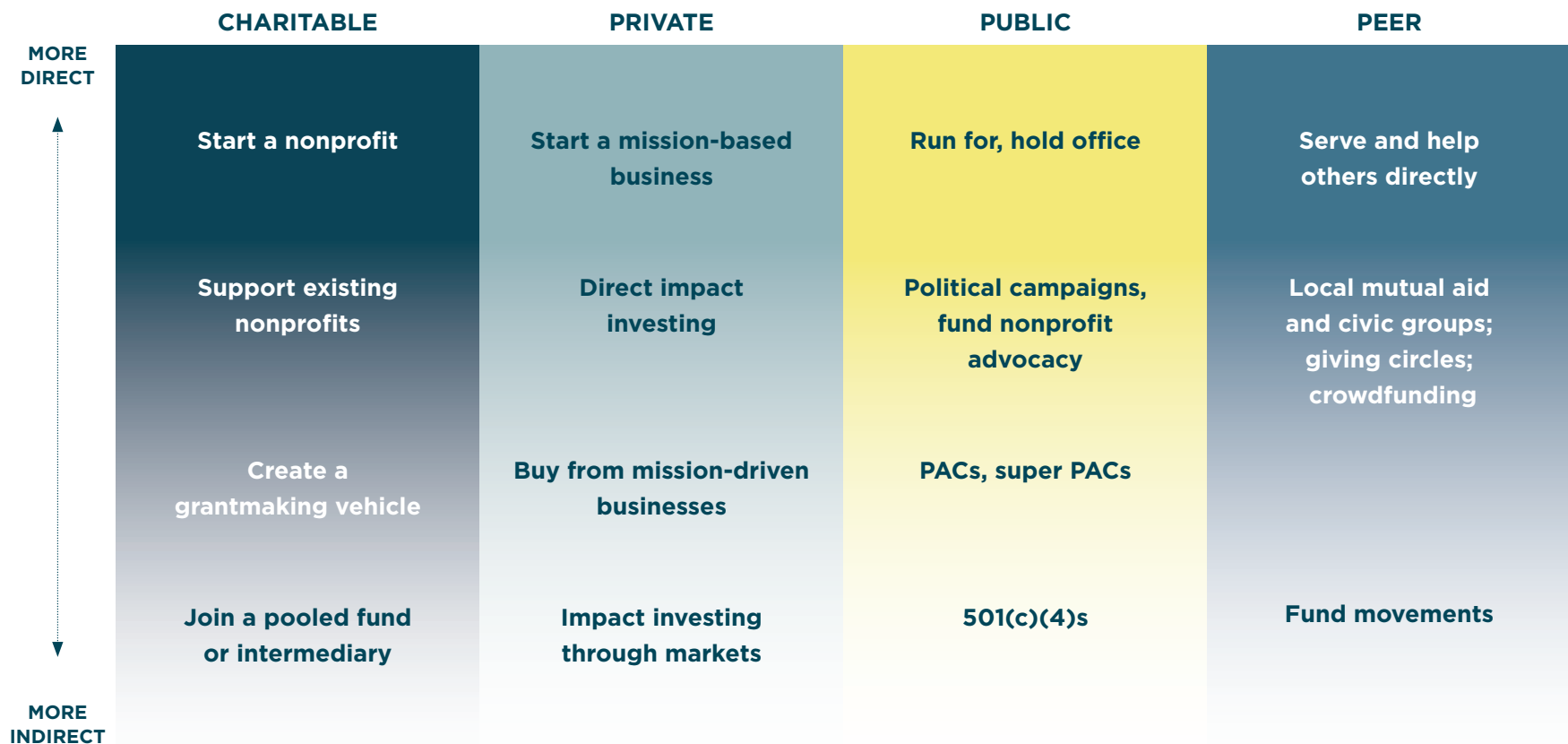
The diagram below displays the typical lifespans of social impact vehicles. Donors establish some with shorter than typical lifespans and some vehicles fail and close before their intended lifespans.

Typical Lifespans of Social Impact Vehicles



Proximity

Some vehicles will bring you closer to the people and communities you hope your philanthropy will benefit. The vehicles toward the top of this diagram involve more interaction and engagement; the vehicles toward the bottom are farther from that direct interaction but often can help you leverage larger pools of resources and create systems change. The diagram displays typical uses, but you find ways to be more or less proximate depending on how you manage the vehicle.



Appendix B: Comparison Tables

Charitable-Sector Vehicles

Note: There are too many variations of split-interest gifts to document in this primer.

Decision Factor	Public Charity	Donor-Advised Fund	Private Foundation (PF) and Private Operating Foundation (POF)	Supporting Org.
Philanthropic Purpose				
Grants to nonprofits that aren't public charities	Yes	Maybe*	Yes**	Yes**
Grants to individuals or businesses	Yes**	No	Yes**	Yes**
Develop and run programs	Yes	No	Yes, especially POF	Yes

Decision Factor	Public Charity	Donor-Advised Fund	Private Foundation (PF) and Private Operating Foundation (POF)	Supporting Org.
Make impact investments	Yes	Maybe*	Yes	Yes*
Engage in advocacy	Yes	Limited*	Limited	Yes
Engage in lobbying	Yes**	No***	No***	No***
Resources				
Cost to start	Incorporation fees & services	None*	Incorporation fees & services	Incorporation fees & services*
Time needed to manage if you lead it	High	Low	PF: medium-high POF: high	Medium
Ability to hire family, staff, advisors	Yes	Staff & family: no Advisors: maybe*	Yes	Yes*

Decision Factor	Public Charity	Donor-Advised Fund	Private Foundation (PF) and Private Operating Foundation (POF)	Supporting Org.
People				
My potential role(s)	Minority board member, staff member	Advisor for fund's use	Board and/or staff member	Minority board member
Empower people closest to problems to make decisions	Depending on governance practices	Depending on grantmaking practices	Depending on grantmaking & governance practices	Depending on grantmaking & governance practices
Family involvement opportunities	Low	High	High	High
Community collaboration opportunities	High	Medium	Medium	Varies
Timespan				
Can last beyond my lifetime	Yes	Maybe*	Yes	Yes*
Family or others close to me can control assets after my lifetime	No	Advise but not control*	Yes	Depends on the type of supporting org.

Decision Factor	Public Charity	Donor-Advised Fund	Private Foundation (PF) and Private Operating Foundation (POF)	Supporting Org.
Privacy				
Contributions to vehicle can be anonymous	Disclose gifts of \$5,000 & more to regulators	Yes	Disclose gifts of \$5,000 & more to regulators	Disclose gifts of \$5,000 & more to regulators
Vehicle's finances open to public review	Yes	Your fund's information: No The DAF sponsor's information: Yes	Yes	Yes
Influence and leverage other resources for a cause	Yes	Limited	Yes	Yes

* Fund sponsor or supported organization policies and practices vary.

** This is allowed by following specific IRS regulations and oversight rules.

*** Except in limited forms of self-protection or in response to written requests for assistance from committees or other legislative bodies.

Private-Sector Vehicles and Umbrella Vehicles

Decision Factor	Mission-Driven Business	Impact Investing Fund	LLC and Family Office
Philanthropic Purpose			
Grants to nonprofits that aren't public charities	Yes	Yes	Yes
Grants to individuals or businesses	Yes	Yes, but less common	Yes
Develop and run programs	Yes	Yes	Yes
Make impact investments	Yes	Yes	Yes
Engage in advocacy	Yes	Yes	Yes
Engage in lobbying	Yes	Yes*	Yes

Decision Factor	Mission-Driven Business	Impact Investing Fund	LLC and Family Office
Resources			
Cost to start	Incorporation fees & services	High	Incorporation fees & services
Time needed to manage if you lead it	High	High	Varies
Ability to hire family, staff, advisors	Yes	Yes	Yes
People			
My potential role(s)	Owner, partner, staff member	Owner, partner, investor, staff	Member, owner, investor, staff
Empower people closest to problems to make decisions	Depending on operating practices and ownership shares	Depending on operating practices and ownership shares	Depending on operating practices and ownership shares
Family involvement opportunities	Varies	Low	Yes
Community collaboration opportunities	Medium	Low	Varies

Decision Factor	Mission-Driven Business	Impact Investing Fund	LLC and Family Office
Timespan			
Can last beyond my lifetime	Yes	Yes	Yes
Family or others close to me can control assets after my lifetime	Varies	Varies	Yes
Privacy			
Contributions to vehicle can be anonymous	Yes	Yes	Yes
Vehicle's finances open to public review	No	Depends on the structure	No
Influence and leverage other resources for a cause	Yes	Yes	Yes

* Securities and Exchange Commission regulations may apply.

Public- and Peer-Sector Vehicles

Decision Factor	501(c)(4)s	527s	Crowd-Funding Campaigns	Giving Circles	Movements & Mutual Aid
Philanthropic Purpose					
Grants to charities	Yes	Difficult	Yes, depending on platform	Yes	Yes (not common)
Grants to nonprofits that aren't public charities	Yes	Yes, with restrictions	Yes, depending on platform	Yes**	Yes (not common)
Grants/gifts to individuals or businesses	Yes* (not common)	Not grants but payments for services	Yes, depending on platform	Yes**	Yes
Develop and run programs	Yes	Yes	No	Yes (not common)	Yes
Make impact investments	Yes	Yes (not common)	Yes	Yes	Yes

Decision Factor	501(c)(4)s	527s	Crowd-Funding Campaigns	Giving Circles	Movements & Mutual Aid
Engage in advocacy	Yes	Yes	Yes	Yes**	Yes
Engage in lobbying	Yes	Yes	Yes**	Yes**	Yes
Resources					
Cost to start	Incorporation fees & services	Low	None	None or very low	None or very low
Time needed to manage if you lead it	High	Medium	Varies	Varies	Medium
Ability to hire family, staff, advisors	Yes	Limited	No	Not typically	Yes
People					
My potential role(s)	Minority board member, staff	Founder, limited ability to receive income if a candidate	Founder, co-founder	Co-founder	Co-founder

Decision Factor	501(c)(4)s	527s	Crowd-Funding Campaigns	Giving Circles	Movements & Mutual Aid
Ability to empower people closest to problems to make decisions	Medium	Low	Varies	Medium to high	Yes
Family involvement opportunities	Low	Low	Medium	Medium	Medium
Community collaboration opportunities	High	High	High	High	High
Timespan					
Can last beyond my lifetime	Yes	Not likely	No	Yes**	Yes
Family or others close to me can control assets after my lifetime	No	No	No	No	No
Privacy					
Contributions to vehicle can be anonymous	Yes	No	Yes	Yes**	Yes
Vehicle's finances open to public review	Yes	Yes	No	No	No

Decision Factor	501(c)(4)s	527s	Crowd-Funding Campaigns	Giving Circles	Movements & Mutual Aid
Influence and leverage other resources for a cause	Yes	Yes	Yes	Yes	Yes

* This is allowed by following specific IRS regulations and oversight rules.

** Depending on the host organization

Family Social Impact Vehicles Playbook

NAME OF FAMILY OR SOCIAL IMPACT VEHICLE

UPDATED ON

NEXT REVIEW SCHEDULED FOR

FAMILY AND/OR BOARD/COMMITTEE MEMBERS INVOLVED

ADVISOR(S) TO THE PROCESS


Instructions

This Impact Vehicles and Structures Playbook will help you and your family codify decisions related to the social impact vehicles you will use and plan your course of action.

The prompts will help you synthesize the information you individually completed using the primer's worksheets, allowing you to identify social impact vehicles to explore for your family's collective philanthropy. Family members should consider the playbook a living draft to test as they practice philanthropy together. As such, some language will be imperfect, and some answers might be "to be determined."

Before you begin, you'll want to clarify who you will include in completing each section of the playbook. Some families have a member of the founding or controlling generation complete a draft based on their vision for the family's philanthropy, to then discuss with the group. Other families develop a draft together or form a small group to do so.

Then choose how you'll make decisions. For instance, will you work toward consensus or take votes? If you need help with the choices, review the *Fundamentals of Family Philanthropy* primer. Ensure everyone involved can access materials that inform a shared impact vehicle. These could include founding documents describing your shared philanthropic purpose and goals such as values, mission, or vision statements, lists of each person's gifts and volunteer



activities in the past two years, and articles or reports related to shared priorities for populations, places, and issues. It may also be helpful to review founding documents of existing vehicles, such as bylaws and articles of incorporation, donor intent or legacy statements, fund or gift agreements, and policies for how you use your resources.

Lastly, if you haven't already included them, discuss your playbook with your legal, financial, tax, and/or philanthropic advisors. They may be able to help align your answers with other estate planning, financial planning, or social impact strategy documents.

Guiding Principles for Collaborative Work¹

As you discuss choosing new vehicles, consider these tips from other families who have been through similar experiences:

- **Be inclusive.** Welcome children, their spouses, and others into dialogue early and often to ensure support later.
- **Be transparent with advisors and potential successors.** This is especially important for founding generations who may be including new vehicles in estate plans. Your successors should know your expectations for managing the vehicles in advance.
- **Take your time.** It will take multiple conversations or meetings to move from exploring options to launching a new vehicle. A successful process gives everyone time to tell their stories, listen and learn from each other, and adjust based on what they're hearing. It also offers time to bring in new ideas—stories, articles, conversations with other families or experts—that can help family members more comfortably answer the worksheets.
- **Concentrate on areas of agreement.** Focus on a shared interest regarding a vehicle for the family's collective philanthropy and bifurcate everything else to individuals' personal giving or personal vehicles. For instance, a family may use a donor-advised fund for its shared grantmaking while individual family members use crowdfunding campaigns or advocacy organizations to pursue their personal agendas.

¹ Adapted from [Splendid Legacy 2: Creating and Re-Creating Your Family Foundation, National Center for Family Philanthropy](#), 2017.

Future Shifts in Resources

Start by discussing the trends that could affect the places, populations, issues, or ideals you want to support. For instance, could people living longer lives impact the types of housing, services, and jobs needed in a region? Or how might clean energy solutions benefit and harm different countries and populations of workers? You might bring in reports from experts, watch videos from sources that provide multiple viewpoints, or ask nonprofits leading collaborative solutions.

You'll also want to anticipate shifts in your lives that could affect resources your family can dedicate to current or new social impact vehicles. For instance, could the sale of a business increase financial resources? Or could family members graduating from college or retiring change the time they have available?

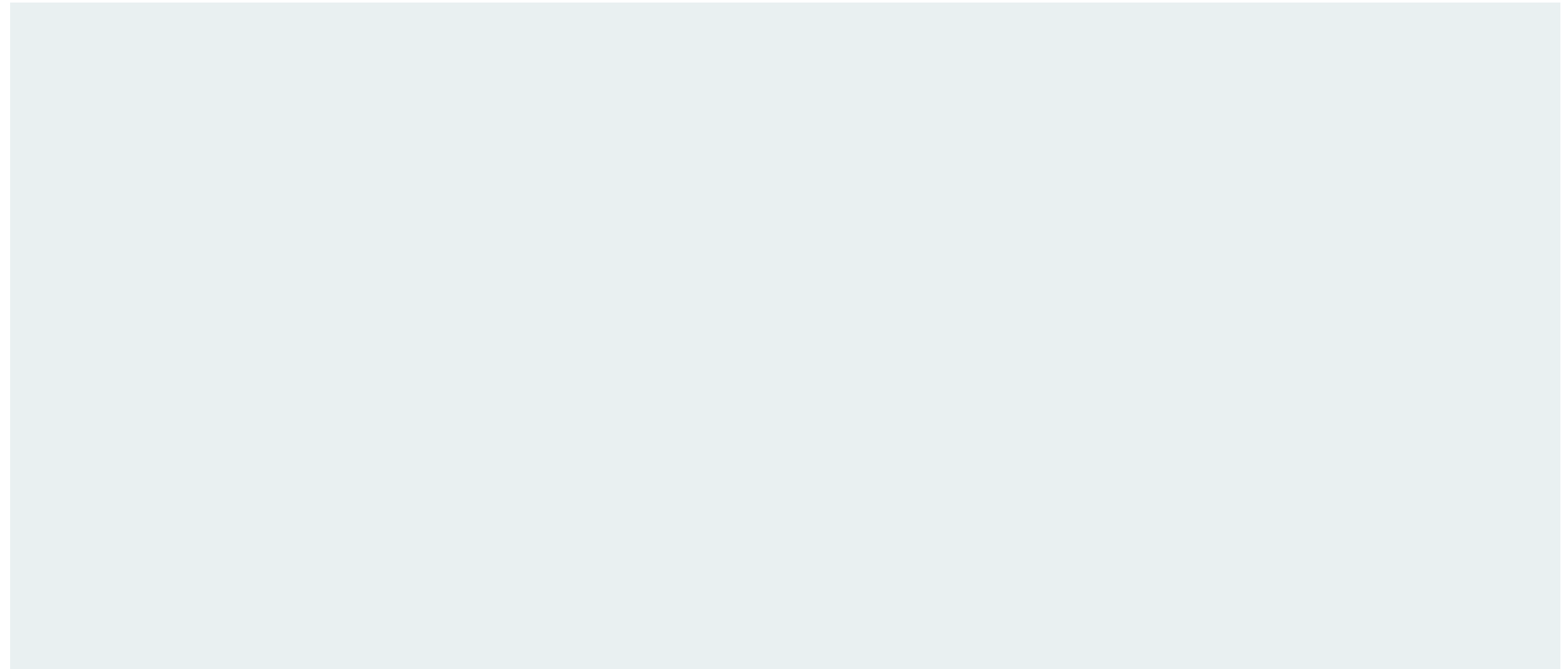
FUTURE SHIFTS IN RESOURCES

Our family can dedicate the resources of treasure, time, talent, ties, and testimony to philanthropy and social impact. We anticipate the trends and events below may change how we use our resources for our collaborative philanthropy.

1. Trends in our Philanthropic Priorities

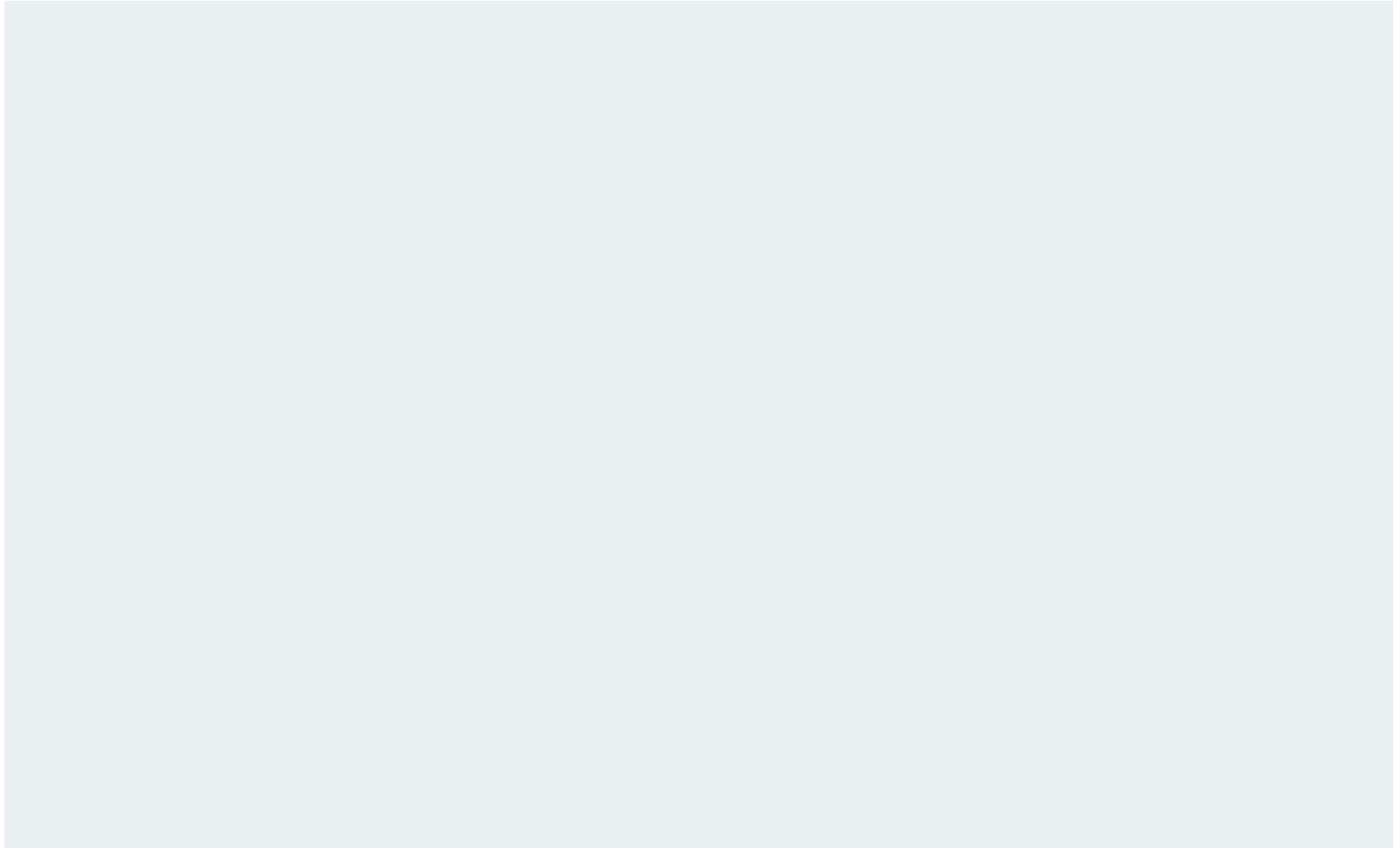
Trends or events in the issues, populations, places, and ideals most important to our collaborative philanthropy, and how those might increase demand for our resources.

Positive trends or potential accelerators



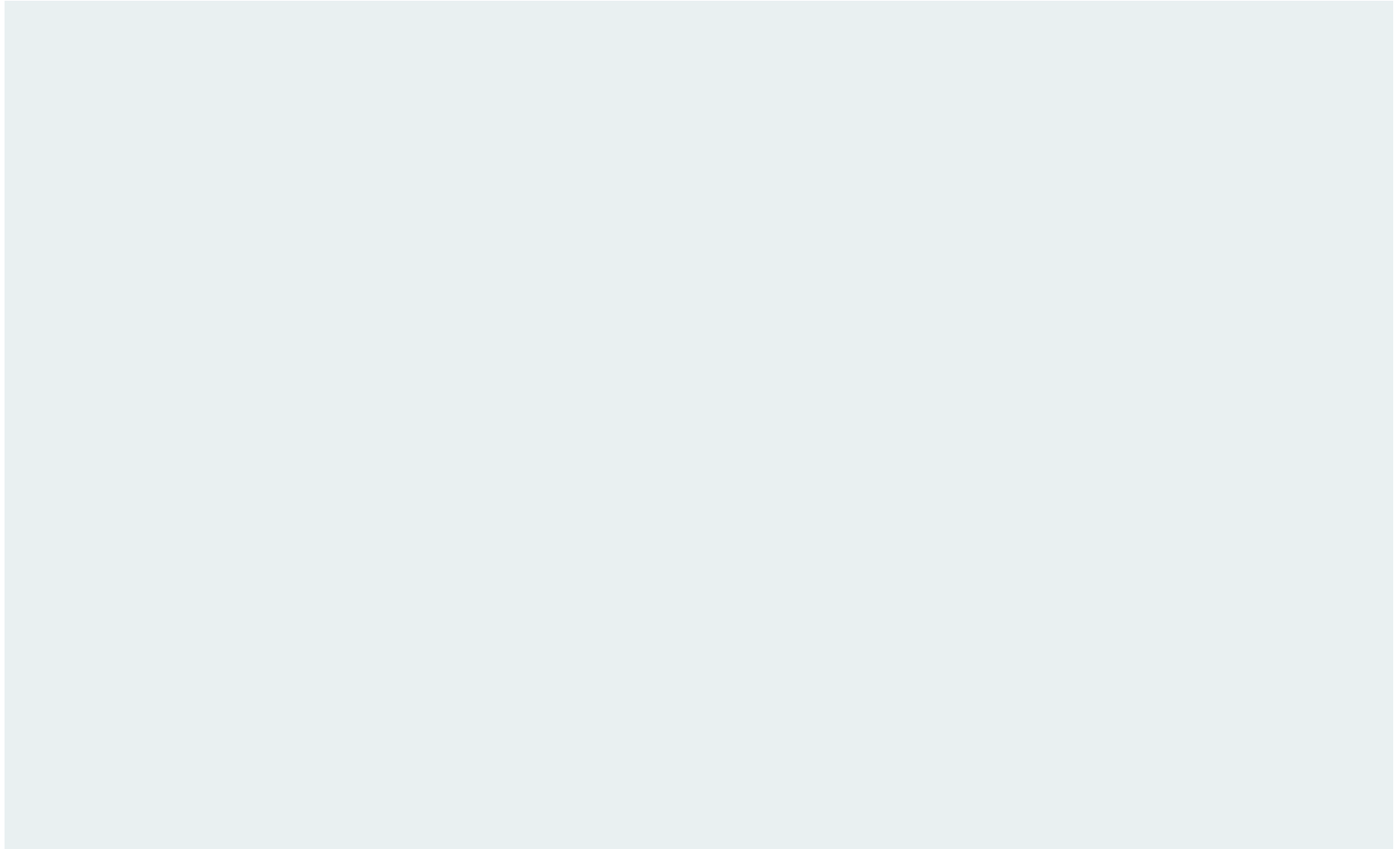
FUTURE SHIFTS IN RESOURCES

Negative trends or potential big challenges



FUTURE SHIFTS IN RESOURCES

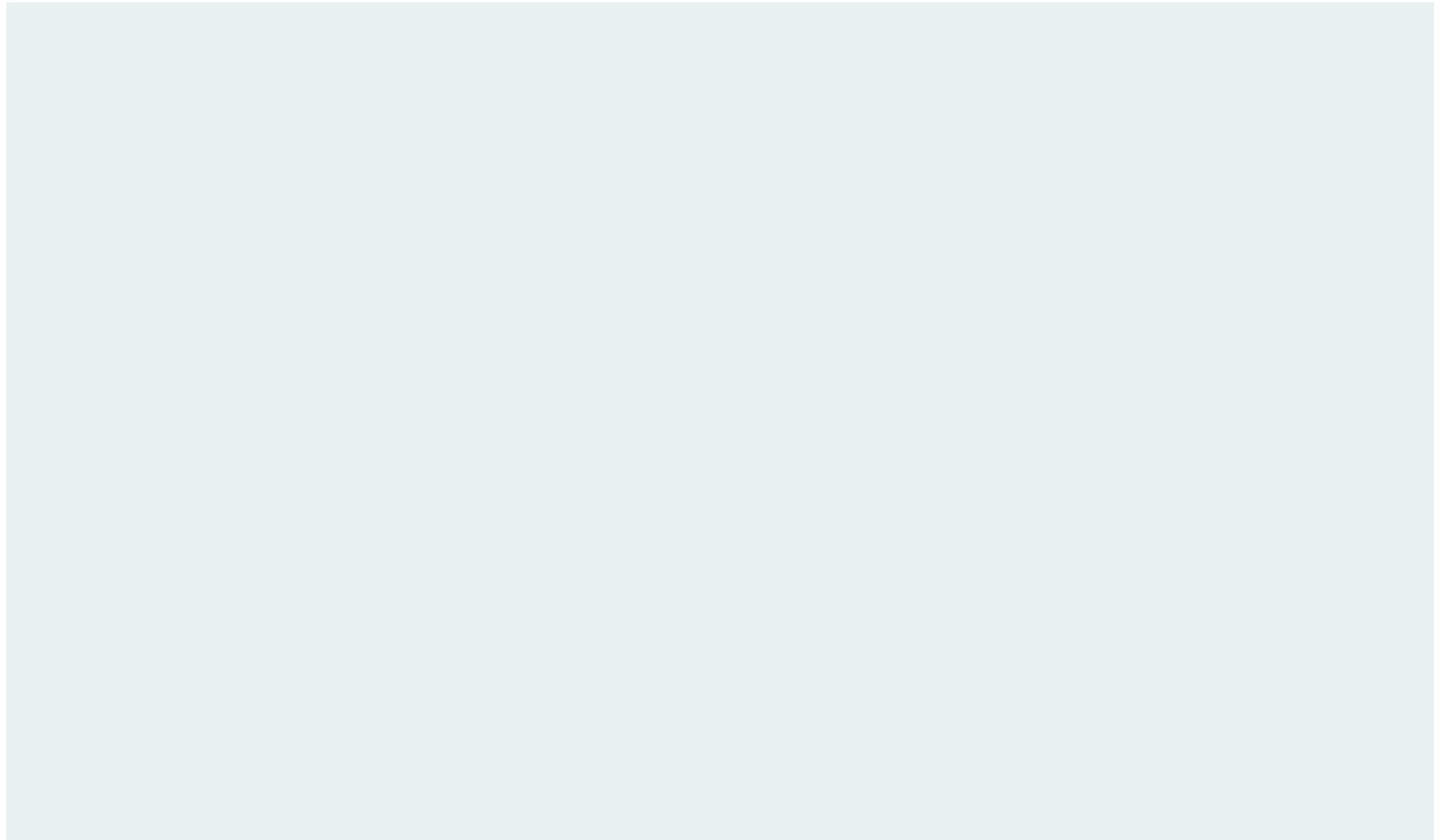
Unknown impact



FUTURE SHIFTS IN RESOURCES

Learning agenda and next steps

What do we want to learn next about those trends or events? Who should we contact for more information?



FUTURE SHIFTS IN RESOURCES

2. Potential Shifts in Resources

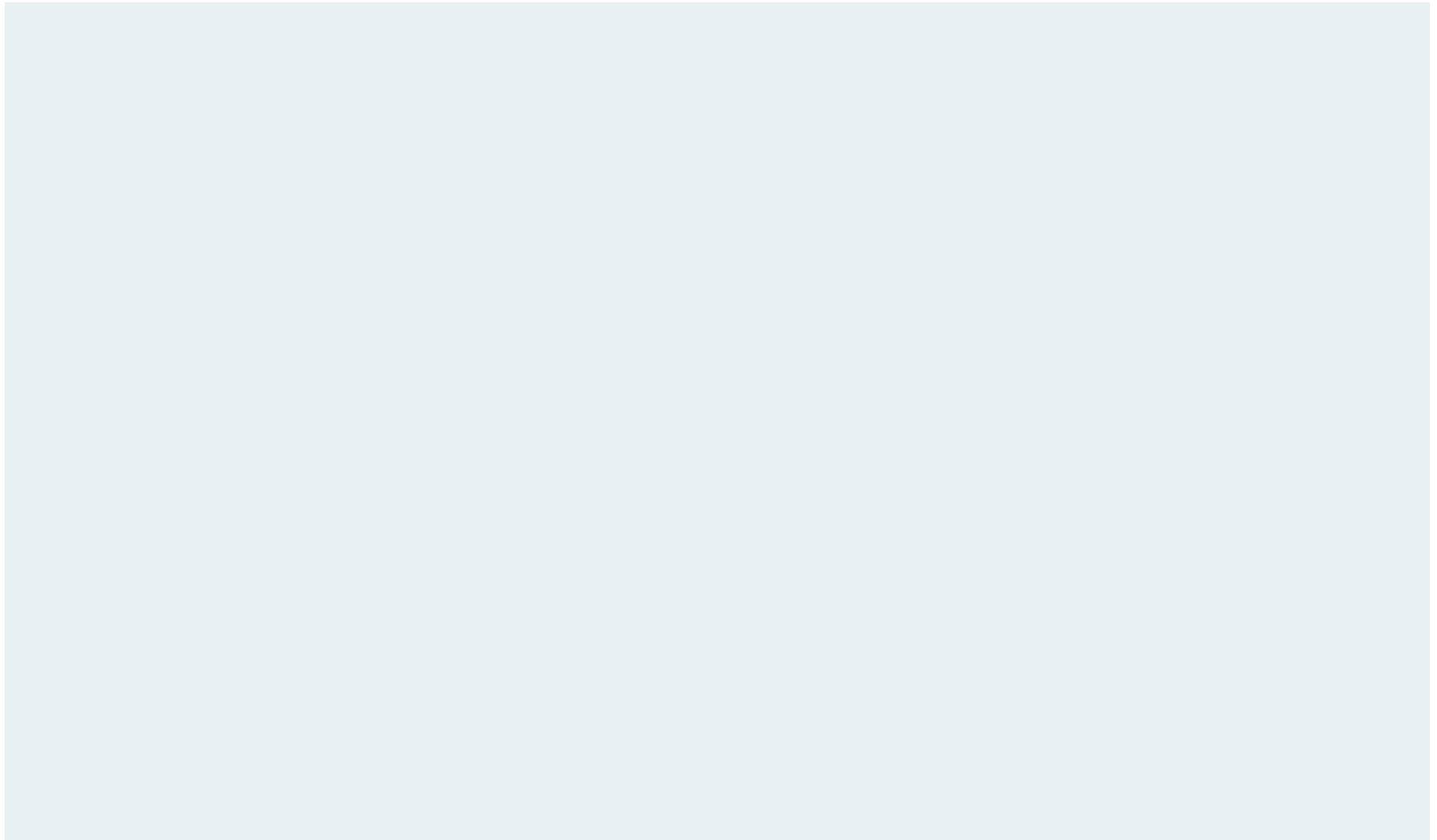
We have listed below shifts in our lives that could have the greatest impact on the resources our family can dedicate to current or new philanthropic vehicles. *(Write I or D in the third column or note an amount if known. Check one or more of the timeframes in the last three columns.)*

Person or Entity	Resource(s)	Increase/ Decrease	Next 2 Years	Next 5 Years	Longer Term

FUTURE SHIFTS IN RESOURCES

Notes

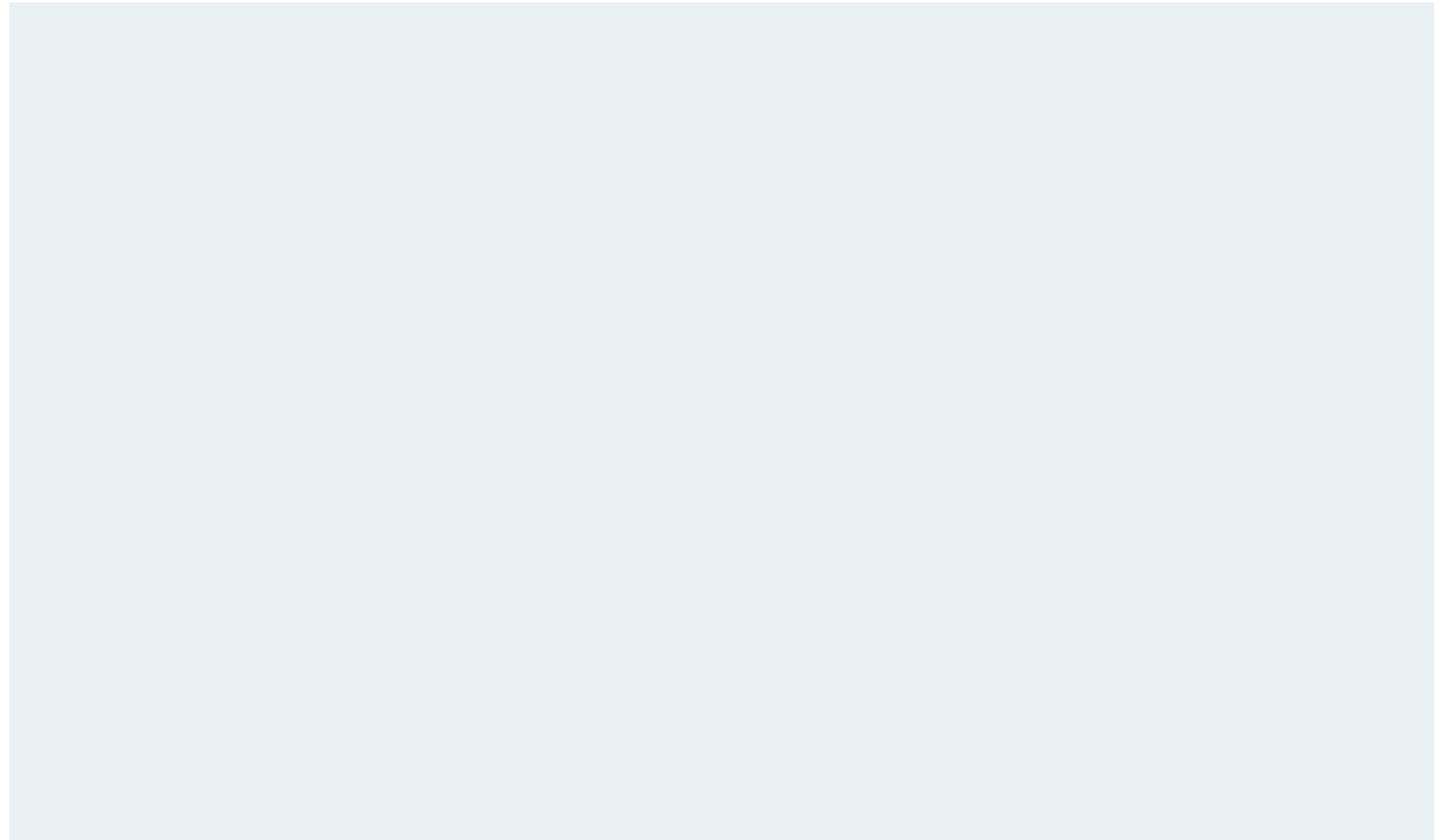
How do we see these shifts affecting our use of our current social impact vehicles or our choice of additional vehicles?



FUTURE SHIFTS IN RESOURCES

Learning agenda and next steps

What do we want to learn next about those trends or events? Who should we contact for more information?



Priority Factors

Ensure everyone has had a chance to complete the worksheet in on page 21 of this primer and then compile their scores from the “Priority for Family” column into the worksheet below. Review the factors that receive the most 3s, 4s, and 5s but no 0s. Then, discuss why those are important to people who provided those rankings and why they were less critical to others. Based on the discussion, determine if anyone wants to change their rankings in this initial list and adjust the list accordingly.

Then, ask participants who ranked any of the factors as a 0 to discuss their concerns. Are the concerns related to the family’s philanthropic values or mission? Are the concerns technical in nature, e.g., they could be addressed by talking with a legal, tax, financial, or philanthropic advisor? If the concerns are values-based, we encourage you to leave those vehicles off your priority list. If not, consider adding them to your learning agenda.

PRIORITY FACTORS

We have discussed the factors most important in choosing one or more social impact vehicles for our collaborative work. We know that family members will use different rankings for their personal philanthropy.

Initial Factors Discussion List

Factor	# of 3s, 4s, 5s	# of 1s, 2s, Unsures	#s of 0s
Philanthropic Purposes			
Give to nonprofits that are not 501(c)(3) public charities (e.g., US-based advocacy nonprofits and civic clubs or nonprofits in other countries)			
Make contributions to groups of individuals or businesses (e.g., emergency assistance, scholarships, innovation prizes)			
Develop and run new programs or create new products to benefit others			
Align our investments with our values or social or environmental goals			
Engage in advocacy—influencing general policies and practices of public agencies, speaking out about a cause			
Engage in lobbying—influencing specific legislative acts, bills, resolutions, ballot measures, or political appointments			
Flexibility to combine or change strategies and vehicles over time			

PRIORITY FACTORS

Factor	# of 3s, 4s, 5s	# of 1s, 2s, Unsuress	#s of Os
Resources			
Maximize tax deductions for our business or us during our lifetimes			
Maximize the reduction of estate taxes			
Maximize the ability to redistribute resources and repair harms within our family or within the communities we serve			
Use our time and talent to manage the vehicle			
Ability to choose, hire, and manage consultants, investment advisors, and/or staff members			
People			
Empower people closest to problems and solutions to decide how to our my philanthropic resources effectively			
Maximize opportunities for collaborating with other people, businesses, or funders and leveraging their contributions of resources			

PRIORITY FACTORS

Factor	# of 3s, 4s, 5s	# of 1s, 2s, Unsure	#s of 0s
Increase family members' ability to use wealth responsibly			
Maximize opportunities for multi-generation family collaboration over time			
Timespan			
A cost-effective way to achieve social impact in a few months or a few years			
Maximize flexibility to change the vehicle's lifespan based on changes in community needs or the involvement of family members			
The vehicle can last beyond our lifetime			
My family members or other people we choose can control the assets after the founder's lifetimes			

PRIORITY FACTORS

Factor	# of 3s, 4s, 5s	# of 1s, 2s, Unsure	#s of 0s
Privacy			
Some or all gifts or investments into the vehicle can be anonymous			
The vehicle’s finances, including grants, are available to the public			
Use the vehicle to attract attention and resources to a cause, influence and leverage other resources to the cause			
Other Decision Factors			

PRIORITY FACTORS

Notes

Why were the highest priorities important? Why is anything “off the table” for the family? What should people who weren’t part of the discussion know about the choices?

PRIORITY FACTORS

Based on the conversations, list the three most important factors for choosing a vehicle below. Do the same for another three factors that could be secondary to your decisions or more important in the future. Lastly, document your learning agenda.

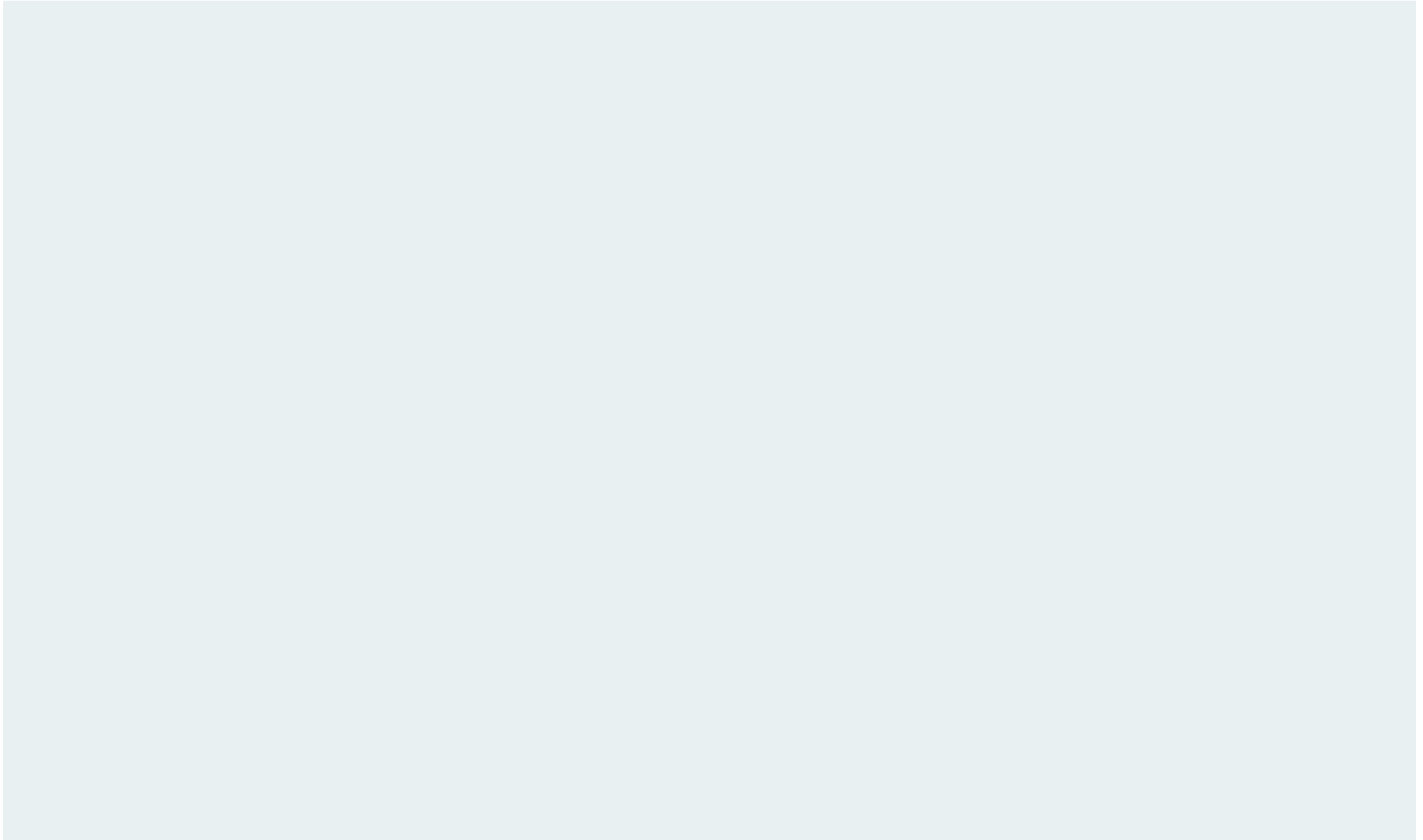
Priority Decision Factors for the Family

Top three factors in choosing our next vehicle(s)
Up to three secondary factors to keep in mind

PRIORITY FACTORS

Learning agenda and next steps

What do we want to learn next about these factors? Who should we contact for more information?



Social Impact Vehicles

Ensure each family member has filled out the worksheet on page 41 of this primer. Ask each person for their top two or three choices and add them up in the worksheet below. Starting with the vehicle with the most votes, discuss why people chose them, their concerns or questions, and new resources the family may need to manage the vehicle. Continue for the next few down the list of the vote count.

Then determine if there is a consensus to follow up on one or more vehicles in the next 12 months. Note that list could include vehicles for the family's collaborative philanthropy as well as vehicles that interest a subset of family members but may not be used by the whole family.

SOCIAL IMPACT VEHICLES

Based on the shifts in resources we anticipate, and the priority decision factors we listed above, we commit to exploring the social impact vehicles below. We've picked up to four as priorities to explore in the next 12 months and listed others to explore later.

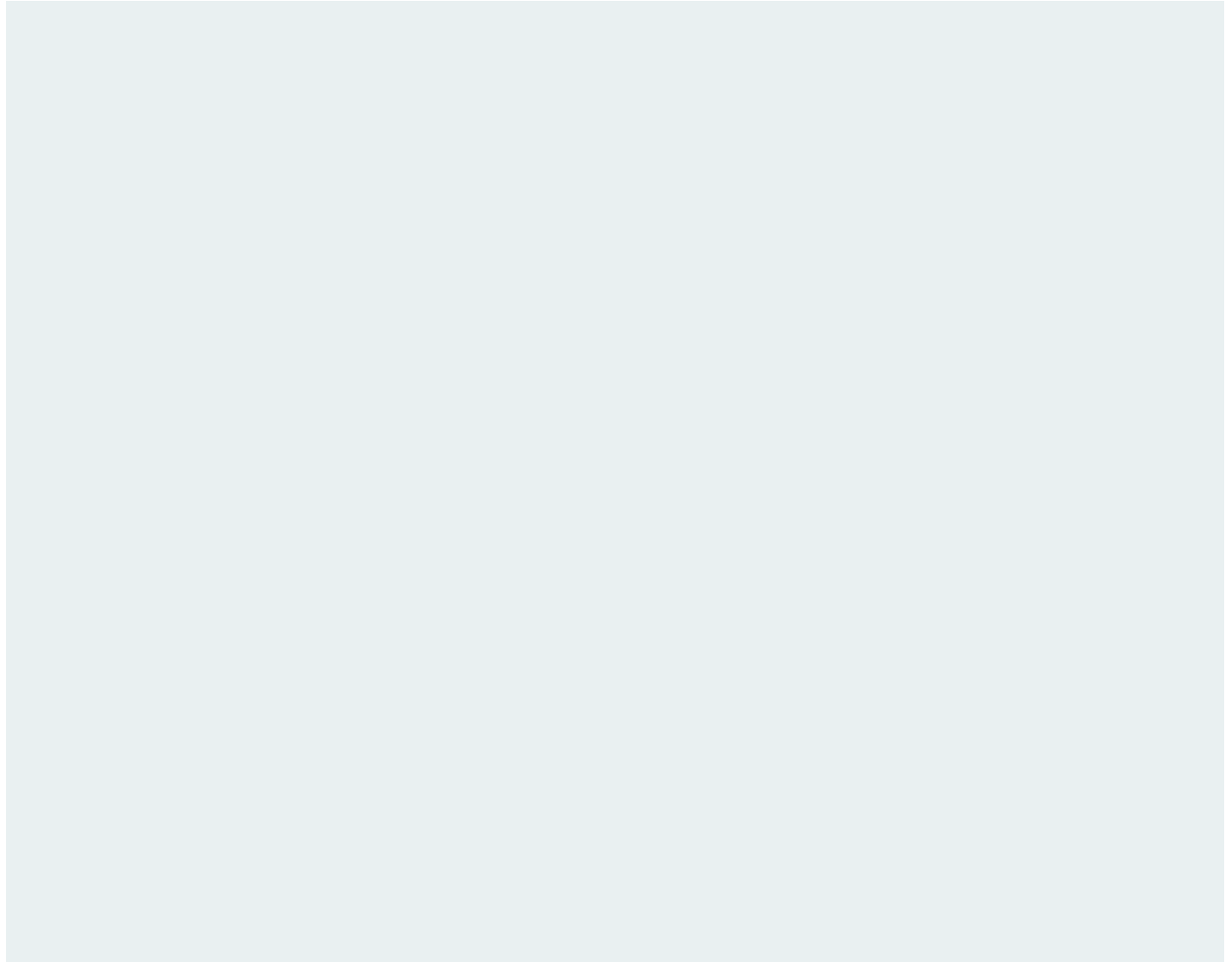
Initial Vehicles to Explore Discussion List

Personal	Family		Personal	Family	
<input type="checkbox"/>	<input type="checkbox"/>	Public charity	<input type="checkbox"/>	<input type="checkbox"/>	501(c)(4)
<input type="checkbox"/>	<input type="checkbox"/>	Intermediary or pooled fund	<input type="checkbox"/>	<input type="checkbox"/>	527 political organization
<input type="checkbox"/>	<input type="checkbox"/>	Donor-advised fund	<input type="checkbox"/>	<input type="checkbox"/>	Crowdfunding campaign
<input type="checkbox"/>	<input type="checkbox"/>	Private foundation	<input type="checkbox"/>	<input type="checkbox"/>	Giving circle
<input type="checkbox"/>	<input type="checkbox"/>	Supporting organization	<input type="checkbox"/>	<input type="checkbox"/>	Mutual aid
<input type="checkbox"/>	<input type="checkbox"/>	Split-interest gift	<input type="checkbox"/>	<input type="checkbox"/>	Social movement
<input type="checkbox"/>	<input type="checkbox"/>	Private operating foundation	<input type="checkbox"/>	<input type="checkbox"/>	LLC
<input type="checkbox"/>	<input type="checkbox"/>	Social enterprise	<input type="checkbox"/>	<input type="checkbox"/>	Family office
<input type="checkbox"/>	<input type="checkbox"/>	Benefit Corp or B Corp	<input type="checkbox"/>	<input type="checkbox"/>	Other
<input type="checkbox"/>	<input type="checkbox"/>	Perpetual purpose trust	<input type="checkbox"/>	<input type="checkbox"/>	Other
<input type="checkbox"/>	<input type="checkbox"/>	Impact investment (portfolio)	<input type="checkbox"/>	<input type="checkbox"/>	Other
<input type="checkbox"/>	<input type="checkbox"/>	Impact investment (fund)	<input type="checkbox"/>	<input type="checkbox"/>	Other
<input type="checkbox"/>	<input type="checkbox"/>	Impact investment (direct investing)	<input type="checkbox"/>	<input type="checkbox"/>	Other

SOCIAL IMPACT VEHICLES

Priority Vehicle 1

How it could augment our shared philanthropic purpose and social impact goals.



SOCIAL IMPACT VEHICLES

Resources we'll need to add or increase if we use the vehicle.

Concerns or factors that would cause us to reject using the vehicle.

SOCIAL IMPACT VEHICLES

Other notes

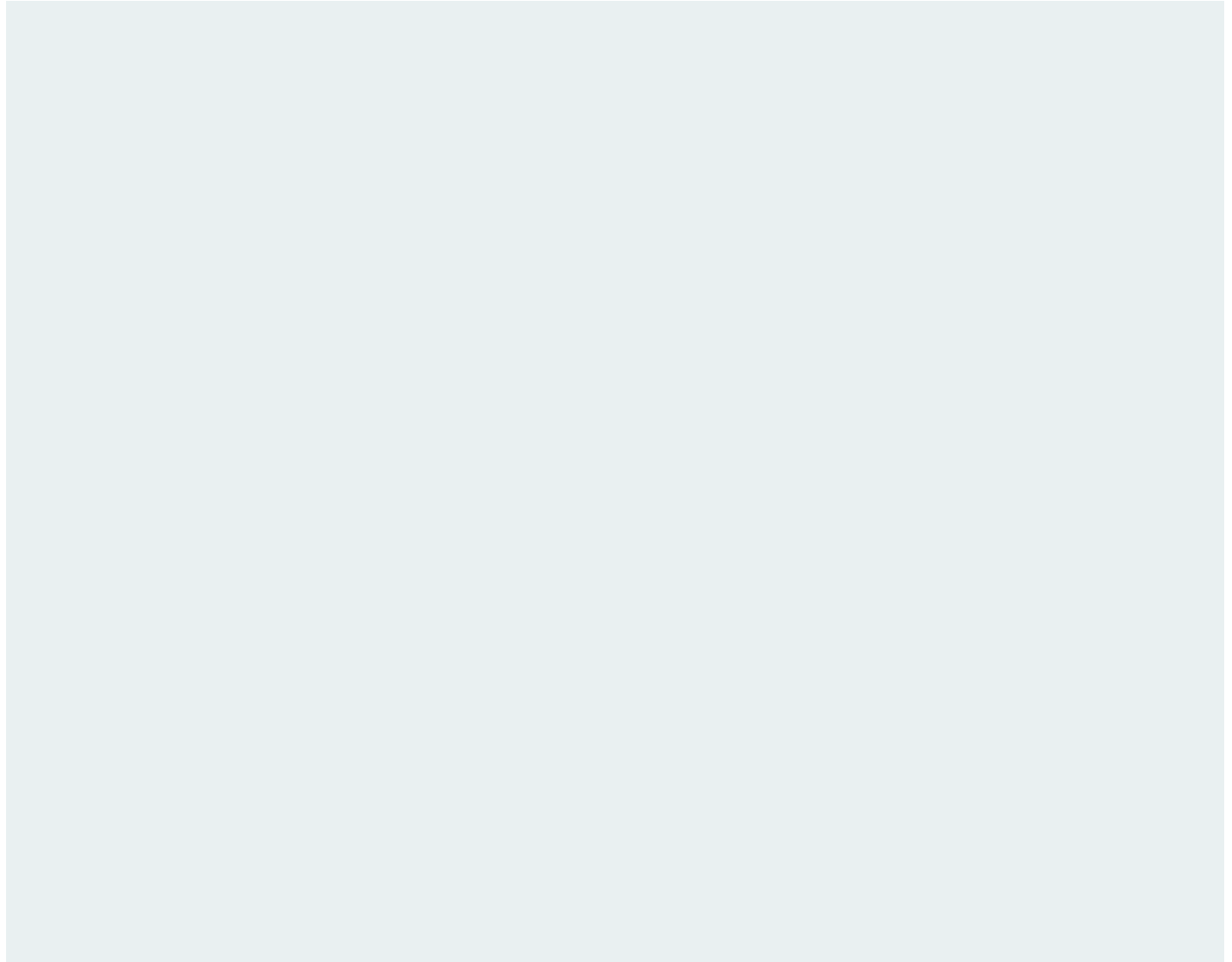
Follow-Up Task List

Person(s)	Deadline	Task

SOCIAL IMPACT VEHICLES

Priority Vehicle 2

How it could augment our shared philanthropic purpose and social impact goals.



SOCIAL IMPACT VEHICLES

Resources we'll need to add or increase if we use the vehicle.

Concerns or factors that would cause us to reject using the vehicle.

SOCIAL IMPACT VEHICLES

Other notes

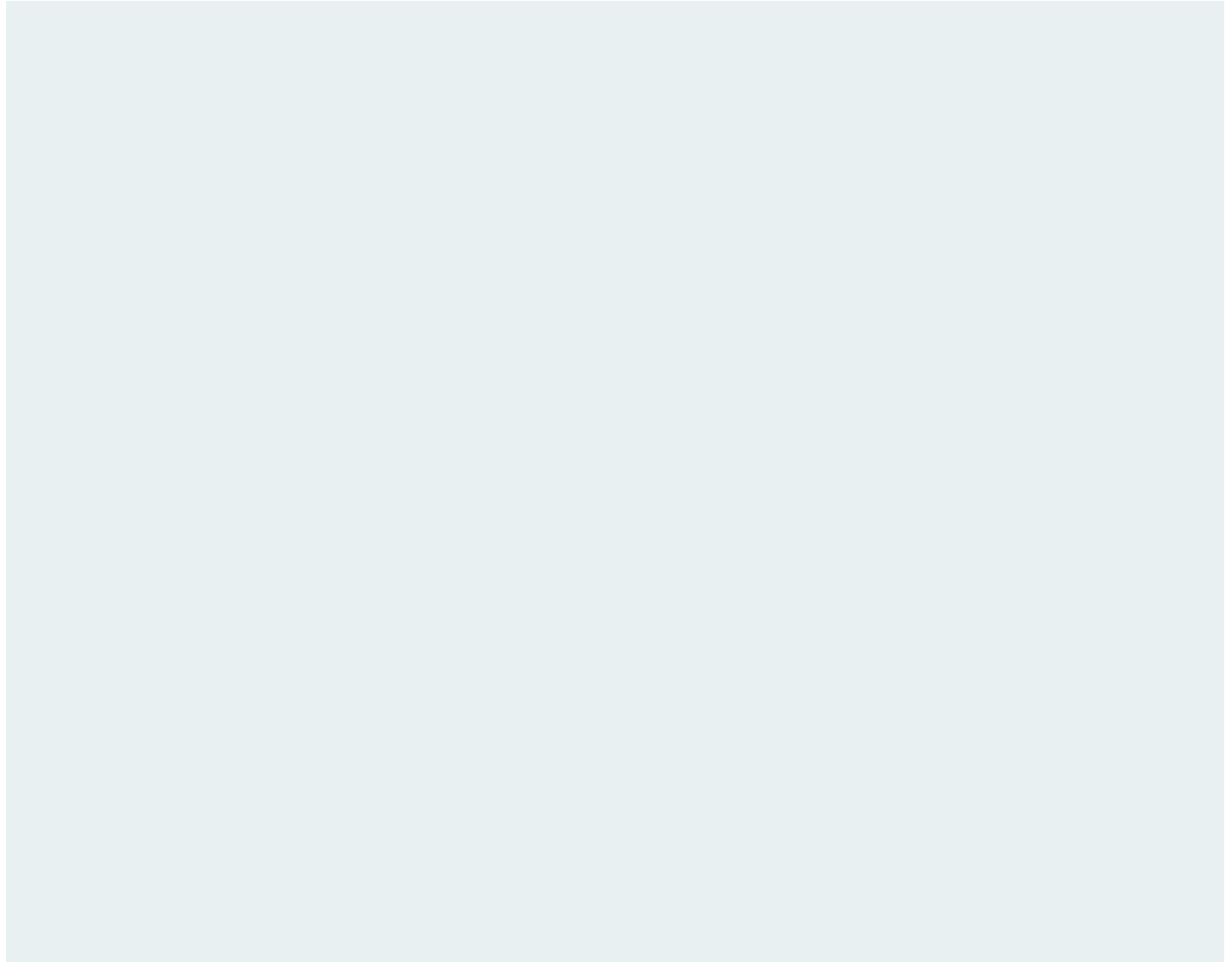
Follow-up Task List

Person(s)	Deadline	Task

SOCIAL IMPACT VEHICLES

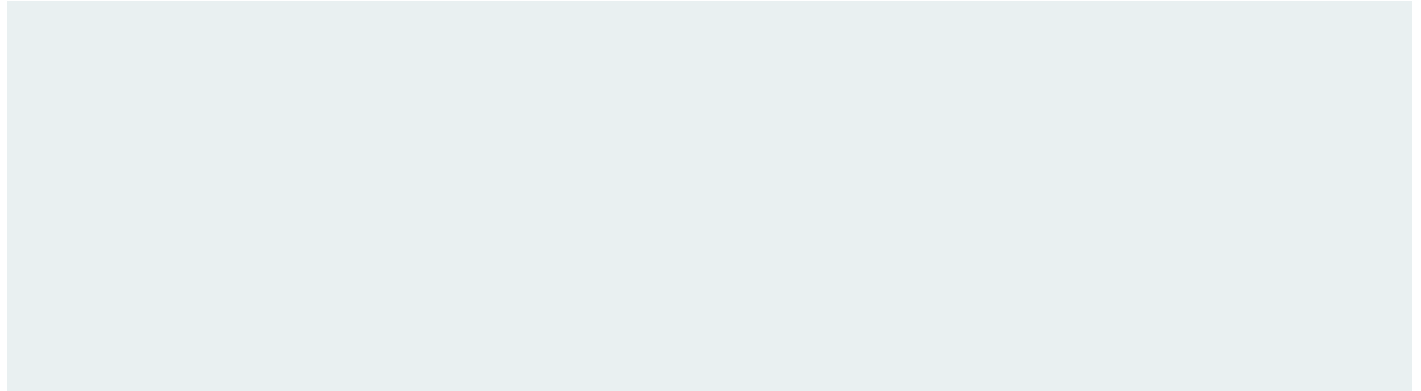
Priority Vehicle 3

How it could augment our shared philanthropic purpose and social impact goals.

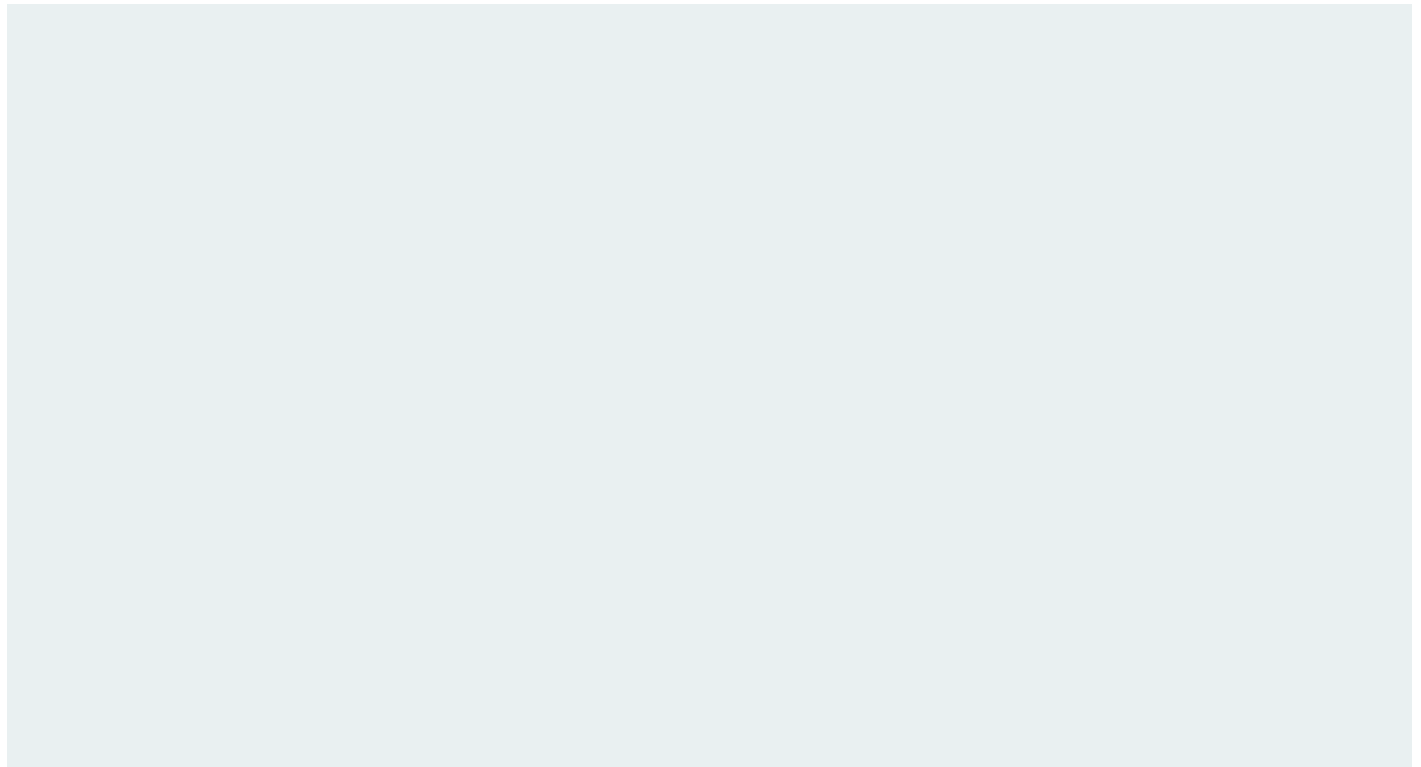


SOCIAL IMPACT VEHICLES

Resources we'll need to add or increase if we use the vehicle.



Concerns or factors that would cause us to reject using the vehicle.



SOCIAL IMPACT VEHICLES

Other notes

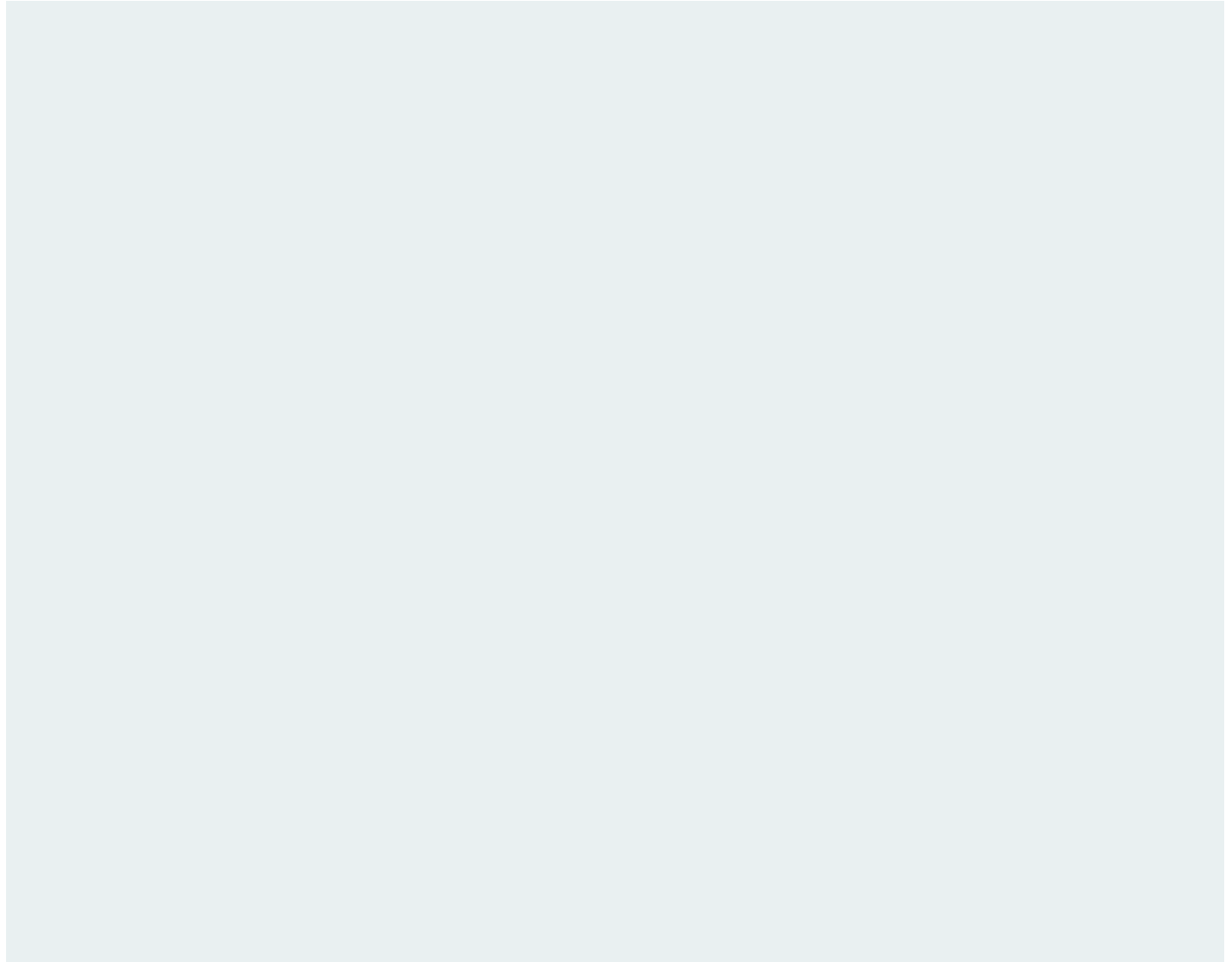
Follow-up Task List

Person(s)	Deadline	Task

SOCIAL IMPACT VEHICLES

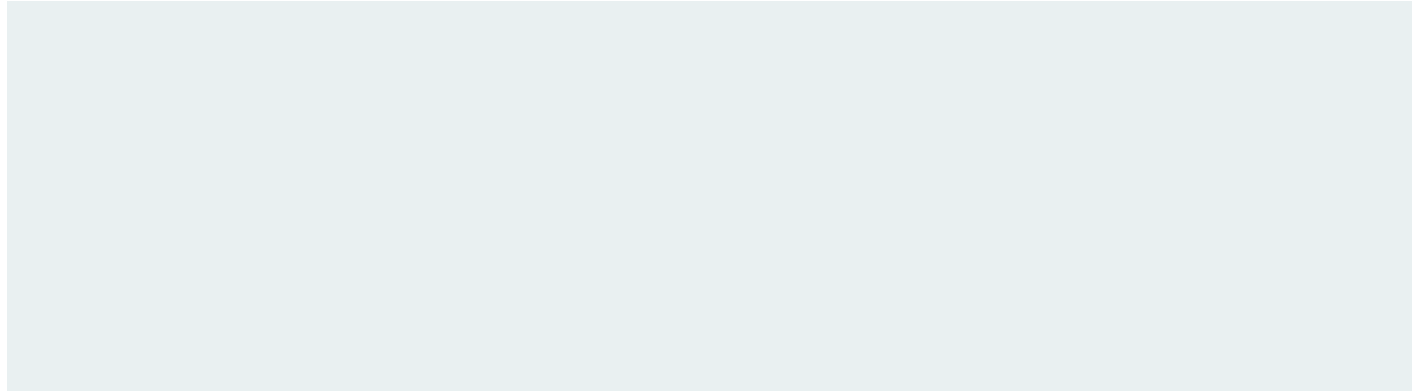
Priority Vehicle 4

How it could augment our shared philanthropic purpose and social impact goals.

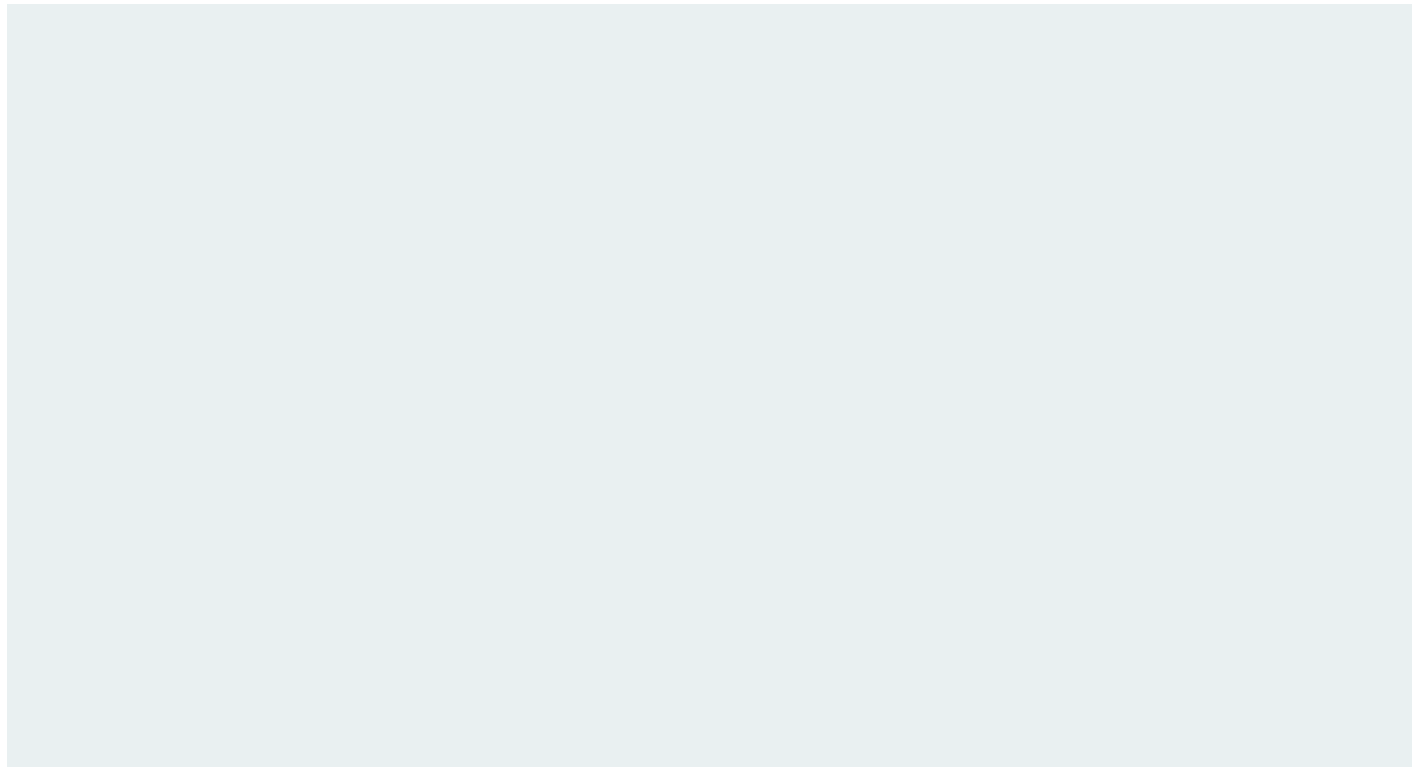


SOCIAL IMPACT VEHICLES

Resources we'll need to add or increase if we use the vehicle.



Concerns or factors that would cause us to reject using the vehicle.



SOCIAL IMPACT VEHICLES

Other notes

Follow-up Task List

Person(s)	Deadline	Task

SOCIAL IMPACT VEHICLES

Explore in Later Years

Social Impact Vehicle	How it could augment our shared philanthropic purpose and social impact goals.	Events or factors that would prompt us to start more focused work on the vehicle.

SOCIAL IMPACT VEHICLES

Social Impact Vehicle	How it could augment our shared philanthropic purpose and social impact goals.	Events or factors that would trigger us to start more focused work on the vehicle.

**The National Center for Family Philanthropy (NCFP)
is a network of philanthropic families committed to
a world that is vibrant, equitable, and resilient.**

We share proven practices, work through common challenges, and learn together to strengthen our ability to effect meaningful change. Our range of programs and services support family philanthropy at its many points of inflection and help families embrace proven practices and advance momentum. Explore our resources, all rooted in a Family Giving Lifecycle, by visiting www.ncfp.org.

Tony Macklin, CAP® wrote the second editions of this series based on materials drafted by Nick Tedesco, president and CEO of NCFP, and Elaine Gast Fawcett, principal of PhilanthroComm; materials and family philanthropy stories collected over NCFP's history; and resources from experts across the country.

The information in this primer should not be taken as qualified legal, tax, or wealth planning advice. Please consult qualified advisors with questions about the topics' legal, tax, or wealth planning implications.



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

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Philanthropic
Purpose

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IMPACT
VEHICLES &
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& Tools

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