

Wealth Reflections

Insights on building, preserving and passing wealth
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Evaluating a Charitable Organization or Philanthropic Gift

By Gwen K. Harvey, B. Comm., CFP, CLU, TEP

Whether measuring a gift given or gaging your wish to become involved with a new charitable organization or gift, it can be helpful to have a **simple chain of questions to follow.**

The guideline below is borrowed from the evaluation process we have encouraged for reviewing both individual investments and investment managers. The question areas when applied to the philanthropic space can help to develop a greater depth of knowledge when reading through gift proposals, financials and websites, and forming an organized series of questions when engaging in phone calls, meetings and site visits.

THE 5 P'S - PEOPLE, PHILOSOPHY, PROCESS, PERFORMANCE & PRICE:

PEOPLE – Who are the key people within this organization? How long have they been there & where have they come from? What are their talents and skill sets? Understand who is critical within operations, volunteer staff and on the Board. Check for turnover, a healthy culture, consistency, and continuity. Your charitable gift will be implemented by these people, so ask questions so as to develop conviction that these people can steward and deliver upon the promise.

PHILOSOPHY – What does this organization and the people within it believe? What is the issue area they are seeking to solve and what is their theory of how they can change or improve the situation? Have you thoroughly discussed this and do you believe in what they believe?

PROCESS – What is the process that this organization follows to implement their philosophy? Is there a clear path? Are those implementing the path able to articulate their direction and steps clearly and with conviction? Ask about what challenges they might encounter and how they will deal with them. Ask about their process for evaluating progress and how they will share that with you.

PERFORMANCE – How has this organization performed in the past? Have they been successful in meeting their targets such as their internal operating budgets and public fundraising goals? Are they “best in class” in what they do? Are they growing their base of support and if so why and how? While past performance cannot guarantee future performance, do they have the people and infrastructure in place to repeat success?

PRICE – What is the cost to deliver the program or objective of your gift? Is that a reasonable cost when compared to (1) other methods of achieving this and (2) other organizations working in this area?

While investing in charitable organizations is often an intuitive event, exploring questions and answers in these five areas can help to provide a constructive framework for thinking and decision making.

If we can assist you with this or other family wealth strategy matters, please let us know.

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