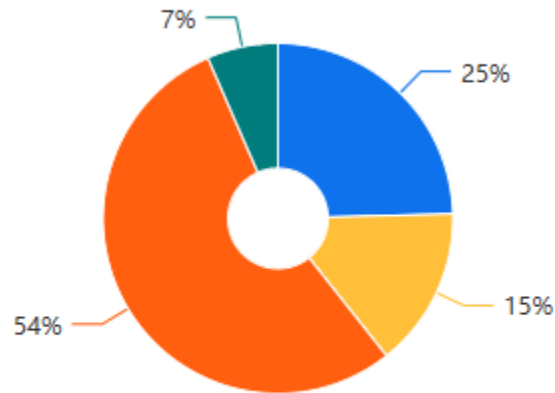


Member Meetup: Corporate Giving: Direct vs. Foundation

January 26, 2025

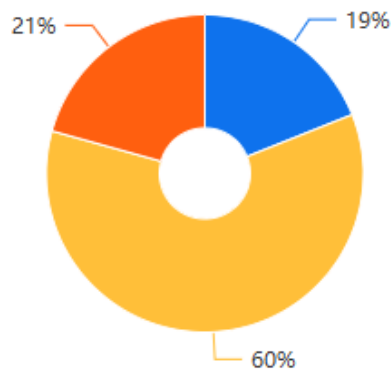
Polls:

1. *What giving model does your organization currently use?*



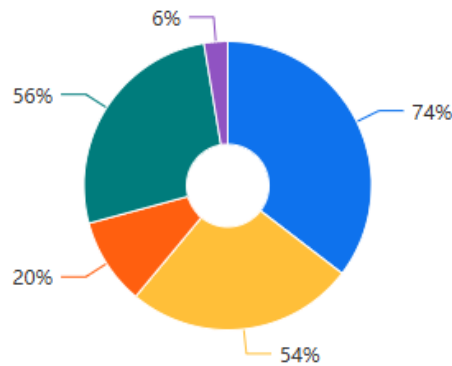
■ Direct corporate
 ■ Foundation
 ■ Hybrid
 ■ Still developing our strategy

2. *Does your company have a Donor Advised Fund?*



■ Yes
 ■ No
 ■ Not sure

3. Which of the following could you use help on related to your giving program? (Select all that apply)



■ Measuring impact ■ Employee engagement ■ Budget Allocation ■ Strategic alignment with business goals ■ Other

Background Information:

The January 2025 Member Meetup focused on strategies for structuring corporate giving through various vehicles including foundations, donor advised funds (DAFs), and direct corporate giving. Two organizations shared their approaches to managing different giving vehicles while building structured programs that benefit both their strategic goals and community impact.

One organization discussed their foundation structure, which operates as a separate legal entity focused purely on grant-making. They recently moved their matching gifts program to the corporate side to streamline operations. Their foundation is funded through an endowment managed internally by their treasury department, with additional infusions of cash or appreciated securities as needed. The foundation maintains a separate board comprised primarily of company employees with one external member, and undergoes regular external audits.

The other organization shared their experience managing multiple giving vehicles, including direct corporate giving and DAFs. They emphasized the importance of choosing appropriate vehicles based on company size, goals, and operational capacity. Their program places strong emphasis on employee choice through matching gifts, which accounts for the majority of their giving, while maintaining flexibility through multiple giving channels.

Analysis:

Successful corporate giving programs require careful consideration of multiple factors, including:

- Strategic alignment with company goals and values
- Operational capacity and administrative requirements
- Geographic scope of giving (domestic vs. international)
- Desired level of employee engagement
- Tax implications and regulatory requirements
- Risk management and compliance needs

Organizations with mature programs emphasize the importance of having clear criteria for what each giving vehicle can and cannot fund. This helps manage internal expectations and provides transparency to nonprofit partners. Companies are increasingly viewing their giving vehicles as tools within a broader social impact strategy, rather than standalone programs.

Challenges, Solutions, and Strategies:

Several key challenges emerged during the discussion:

1. International Giving

- Challenge: Complex vetting requirements and language barriers
- Solutions:
 - Partnering with established international organizations
 - Utilizing third-party vetting services
 - Building long-term relationships with trusted local partners
 - Leveraging existing company resources for legal/compliance support

2. Administrative Burden

- Challenge: Managing multiple giving vehicles efficiently
- Solutions:
 - Utilizing giving platforms for streamlined administration
 - Partnering with DAF providers for certain types of giving
 - Establishing clear processes and approval workflows
 - Maintaining separate teams for different giving vehicles

Actionable Steps:

1. Evaluate Current State

- Assess existing giving vehicles and their effectiveness
- Review administrative capacity and resources
- Analyze geographic giving footprint
- Document current challenges and pain points

2. Define Strategic Framework

- Establish clear objectives for each giving vehicle
- Create criteria for funding decisions
- Develop guidelines for different types of requests
- Align giving vehicles with broader company goals

3. Build Operational Infrastructure

- Implement appropriate technology solutions
- Establish clear processes and workflows
- Define roles and responsibilities
- Create reporting and measurement systems

4. Manage Risk and Compliance

- Develop due diligence procedures
- Establish vetting processes for partners
- Create clear documentation requirements
- Implement monitoring and reporting systems

5. Enable Effective Communication

- Create clear internal guidelines
- Develop external communication strategies
- Build educational resources for employees
- Establish feedback mechanisms

6. Ensure Program Sustainability

- Regular program evaluation and refinement
- Ongoing stakeholder engagement
- Continuous process improvement
- Regular impact assessment

Key Considerations for Different Giving Vehicles:

Corporate Foundation

- Pros:
 - Clear separation from business operations
 - Ability to focus purely on impact
 - Enhanced credibility and legacy
 - Potential for long-term strategic giving
- Cons:
 - Administrative burden
 - Regulatory requirements
 - Cost of maintenance
 - Less flexibility in funding

Donor Advised Funds

- Pros:
 - Tax efficiency
 - Administrative simplicity
 - Flexibility in timing of giving
 - Investment potential
- Cons:
 - Less direct control
 - Potential limitations on international giving
 - Additional financial vehicle to manage
 - Some loss of branding opportunity

Direct Corporate Giving

- Pros:
 - Maximum flexibility
 - Direct control
 - Simplified administration for domestic giving
 - Clear connection to company

- Cons:
 - Greater reputational risk
 - More complex international giving
 - Less tax efficiency
 - Potential budget volatility

Additional BCCCC Resources:

- Comparing Corporate Giving Structures Issue Brief:
<https://ccc.bc.edu/content/ccc/digital-knowledge-products/comparing-corporate-giving-structures.html>
- Corporate Foundations: Funding, Staffing, and Governance FAQs:
<https://ccc.bc.edu/content/ccc/digital-knowledge-products/corporate-foundations-funding-staffing-governance-faq.html>
- Community Involvement Study:
<https://ccc.bc.edu/content/ccc/research/reports/community-involvement-study.html>