The Association of Baltimore Area Grantmakers

A membership organization dedicated to promoting philanthropy

Growing Philanthropy through Giving Circles:
Lessons Learned from Start-Up to Grantmaking

By Tracey A. Rutnik and Buffy Beaudoin-Schwartz

The Association
of Baltimore Area
Grantmakers

*A membership organization dedicated
to promoting philanthropy*

GROWING PHILANTHROPY THROUGH GIVING CIRCLES:
LESSONS LEARNED FROM START-UP TO GRANTMAKING

BY TRACEY A. RUTNIK AND
BUFFY BEAUDOIN-SCHWARTZ

The Association of Baltimore Area Grantmakers

A membership organization dedicated to promoting philanthropy

In 2000, the Baltimore Giving Project (BGP), an initiative to promote organized philanthropy that is housed at the Association of Baltimore Area Grantmakers, began cultivating the development of giving circles in Maryland. Buffy Beaudoin-Schwartz, Director of the BGP, recognized that giving circles held the potential to bring many new faces to philanthropy, particularly women. BGP capitalized on existing resources and the expertise of many colleagues to develop a Giving Circle Toolkit and championed giving circles as a way to grow giving locally. Leadership to start two circles, the Baltimore Women's Giving Circle and the Women's Giving Circle of Howard County, emerged quickly. Those first two circles, profiled in this publication, were the start of a much larger trend in Maryland.

This study and the circles on which we focus have benefited greatly from the practical approach to developing a giving circle outlined by Sondra Shaw-Hardy in her handbook, "Creating a Women's Giving Circle," which was published by the Women's Philanthropy Institute (www.women-philanthropy.org). In addition, we have drawn from the expertise of numerous colleagues, particularly Paul Shoemaker of Social Venture Partners (SVP), a national model for high-engagement philanthropy. SVP has diligently documented and shared the story of its phenomenal growth and impact; its resources are a must-read for anyone contemplating starting a giving circle. The inspiring efforts of our many New Ventures partners has also informed our work.

Tracey A. Rutnik
Director, Funders Evaluation Initiative

Buffy Beaudoin-Schwartz
Director, Baltimore Giving Project

Growing Philanthropy through Giving Circles:
Lessons Learned from Start-up to Grantmaking

Executive Summary

Introduction

Giving circles are a relatively new way to engage donors in a more enriching and rewarding philanthropic experience. A giving circle is a pooled fund, generally hosted or sponsored by a charitable organization such as a community foundation, through which members make grants together. Circles are typically organized around a particular issue or area of interest, such as women's issues, quality of life, or the environment, and are considered a higher-engagement form of philanthropy because donors usually engage in collective decision making and educational activities. The circle's grantmaking functions—which may include issuing a formal request for proposals, proposal review, and site visits—engage members in a participatory process that, when combined with the increased impact of pooled charitable dollars, has strong appeal to many donors.

This research explores and communicates the lessons learned from two giving circles initiated in Maryland: the Baltimore Women's Giving Circle (BWGC) and the Women's Giving Circle (WGC) of Howard County. The purposes of the research were to:

- Document how the decisions made during start-up through early grantmaking affect circle operations and the overall resource commitment of participants and host organizations.
- Understand the financial and organizational underpinnings necessary for hosting a successful, sustainable giving circle.
- Identify and share lessons learned for both those who want to start a giving circle and potential host organizations.

As both of the circles in our study are still relatively young, we focused our research on the lessons learned from start-up and early grantmaking experiences. Although the research was geared primarily toward community foundations and potential circle founders, we hope that the learnings also inform the field of philanthropy generally. The lessons learned have been many. Successful, sustainable circles require significant volunteer leadership and mutually beneficial and reinforcing relationships with the right host. In particular, our research suggests that giving circles should be capable of operating almost autonomously (within the terms of the hosting agreement) and are best hosted by foundations with a significant capacity to meet a newly formed circle's resource demands. In the absence of existing capacity, considerable start-up resources should be sought. These resources would serve not only to initiate the circle but also to further the foundation's organizational development.

Lessons Learned—Reflections from Circle Founders

- Strong, volunteer leadership is necessary for initiating a circle and incubating it through the start-up period. Creating the circle is similar to starting a new organization, with responsibilities for setting the mission and vision, securing buy-in, determining a budget, developing policies and procedures, creating a marketing and communications strategy, and planning for growth.
- A welcoming, supportive relationship with a host organization is an essential ingredient to getting a circle off the ground quickly because it brings instant credibility to the circle and spares founders the task of creating a new nonprofit and meeting IRS filing obligations.

- Effective operations require considerable staff support and start-up and administrative resources.
- The size of the membership contribution should reflect the target population's capacity to give and be large enough to engender contributors' buy-in. Annual contributions are recommended; pledges for future contributions should be kept to a minimum unless there is ample staff support for processing payments.
- It is important to plan for growth and incorporate strategies that keep members connected to one another and foster participation in the grantmaking and educational opportunities.

LESSONS LEARNED—REFLECTIONS FROM HOST ORGANIZATIONS

- The decision to host a circle should fit within the organization's overall strategic plan, programmatic priorities, and available resources. Without sufficient institutional support to properly host the circle, the fund could quickly damage the host's standing in the community and relationship with donors.
- The terms of the hosting relationship should be discussed, carefully considered, and fully explicated at the start. The agreement should outline the nature and extent of the relationship and the role of all departments, including program, finance, donor services, and communications.
- The resource demands of hosting a circle are significant. Ideally, the circle should be managed by program staff as part of their job responsibilities. Internal capacity for information and data management is also important.
- A tiered fee structure can help a host organization recoup some of the costs of hosting a giving circle, but it is unlikely that the income generated will fully support the true costs of operating a circle.

Giving circles have the potential to bring many new faces to philanthropy and to get donors excited about and connected to giving. Participants report that giving circles are rewarding on a number of levels, particularly through their ability to convene diverse individuals as a powerful collective capable of effecting change. Plus, the educational component helps donors to better understand nonprofit organizations and community needs, resulting in more strategic, effective philanthropy.

The short-term payoffs to the host organization include heightened visibility, a stronger relationship with existing donors and an introduction to new ones, and the ability to promote a new form of civic engagement. Over the long term, giving circles appear to have the potential to build a stronger community of donors that is both larger and further engaged. Additional research that explores how giving circles influence members' philanthropic journey is recommended.

Growing Philanthropy through Giving Circles: Lessons Learned from Start-up to Grantmaking

Introduction—Growing Philanthropy through Giving Circles

The Baltimore Giving Project (BGP) is an initiative to promote organized philanthropy in central Maryland. Housed at the Association of Baltimore Area Grantmakers, the BGP was originally funded by New Ventures in Philanthropy, with considerable additional support from local funders. Although BGP was designed as a time-limited campaign ending in 2002, the initiative's primary philanthropy promotion activities are currently being integrated into the core functions of the Association of Baltimore Area Grantmakers.

BGP staff seeks to encourage, promote, and stimulate new philanthropy through a variety of means, including formal research on giving trends, innovative efforts to attract and engage new donors, informative media on various giving vehicles, and outreach to particular audience groups underrepresented locally in organized philanthropy, such as women, African Americans, and the next generation of wealth holders. During the late 1990s, a significant body of work on high-engagement philanthropy was beginning to emerge. Many donors were looking for more than the standard philanthropic activity—writing a check. They wanted a philanthropic experience and they wanted to target their resources—both financial and human capital—for maximum impact.

Two strategies that seemed to be having success in engaging donors were venture philanthropy and giving circles. Venture philanthropy—through which the practices of venture capitalists are applied to the nonprofit sector—had strong appeal for many entrepreneurs, particularly those enriched by the technology boom. On the other hand, giving circles, through which donors pool their charitable funds, showed significant promise in attracting participants from across income groups and were particularly successful with women, one of the BGP's target audiences.

BGP staff recognized that giving circles not only held the potential to bring many new faces to philanthropy but also held promise for shaping donors' philanthropic journey by providing them with a rich, rewarding experience. Capitalizing on existing resources—such as Shaw-Hardy's "Creating a Women's Giving Circle Handbook" and the expertise of many colleagues—BGP staff developed a Giving Circle Toolkit and began working with community and public foundation partners to champion giving circles. These efforts were immediately successful; today there are 11 giving circles in various stages of development in Maryland, and even more are anticipated.

Research Purpose and Methodology

Giving circles have emerged as a popular way to bring new faces to philanthropy, yet the body of knowledge on their structure, sustainability, effective operations, and the nature of the relationship with host organizations is scant. Many start-up circles enter into a fluid relationship with a host organization because there are few resources to guide the structure of that relationship. For example, Shaw-Hardy's handbook includes a chapter on the pros and cons of using a sponsoring organization, but provides few details on clarifying the nature of that relationship. As a result, a partnership may evolve from the circle's immediate need for a host and the charitable organization's desire and willingness to meet those needs. However, the responsibilities of each may not be fully specified.

In addition, although giving circles are intended to produce new or further-engaged philanthropists, the depth and breadth of their power for growing philanthropy is as yet unknown. The circles certainly help to cultivate a cadre of donors, but there is little research on whether these donors divert gifts from other organizations—a charitable "break-even"—or whether participation in the circle represents increased giving. Moreover, the long-term impact of

participation in a circle on an individual's philanthropy journey is as yet unclear.

With the number of circles on the rise, we recognized that it was important to capture and communicate the lessons we have learned in Maryland. Our study focuses on two giving circles—the Baltimore Women's Giving Circle (BWGC) and the Women's Giving Circle (WGC) of Howard County—with comparisons to other local circles and national models. The purposes of the research were to:

- Document how the decisions made during start-up through early grantmaking affect circle operations and the overall resource commitment of participants and host organizations.
- Understand the financial and organizational underpinnings necessary for hosting a successful, sustainable giving circle.
- Identify and share lessons learned for both those who want to start a giving circle and potential host organizations.

Because both circles in our study are relatively young, we are unable to address questions regarding the longer-term impact on donors. Follow-up research that explores whether the giving circles inform and shape an individual's philanthropy is recommended.

We selected the BWGC and the WGC of Howard County because they are the most mature among the circles that the BGP has helped initiate, have very different operating frameworks, and are hosted by organizations that vary significantly in asset base and staff capacity. The research included semistructured interviews with the primary founders and the staff involved with each circle. We also reviewed relevant documents, media coverage, and Web-based materials, as necessary. A total of 15 people were interviewed. All interviews were conducted individually, except that three founders of the WGC of Howard County were interviewed together. A copy of the interview protocol is available on request.

This report begins with a definition of giving circles and an overview of their appeal to new donors, particularly women. We then describe the two circles that comprise our study. The descriptions include a brief overview of the host organization, the circle's origins, number of participants, operating framework and current assets, and, if applicable, a report of the fund's grantmaking to date. Next, we present participant and host organization reflections on how best to structure an effective, sustainable giving circle. Finally, we offer our conclusions and recommendations for future research.

GIVING CIRCLES DEFINED

Giving circles are a relatively new way to grow philanthropy. Often described as a "social investment club," a giving circle is a pooled fund, generally hosted or sponsored by a charitable organization such as a community foundation, through which members make grants together. Circles are typically organized around a particular issue or area of interest, such as women's issues, quality of life, or the environment, and are considered a higher-engagement form of philanthropy because donors usually engage in collective decision making and educational activities. The circle's grantmaking functions—which may include issuing a formal request for proposals, proposal review, and site visits—also offer a considerably more enriching and rewarding philanthropic experience. This participatory process, combined with the increased impact of pooled charitable dollars, has strong appeal to many donors.

Not all circles have a nonprofit host; however, a relationship with a sponsoring organization is advantageous because creating a new 501(c)(3) organization is a complex and time consuming process. When sponsored by an existing philanthropic institution, such as a community foundation, the circle is generally set up as a donor-advised fund. A donor-advised fund is a component fund of a public charity in which the donor or other designee retains the privilege of making recommendations to the host charity for charitable grants to be made from the fund. The host charity takes care of all grant administration and asset management and generally charges a small fee for these services. Some hosts may offer a tiered package of services to their donor-advised fund holders that includes options for higher levels of involvement, such as coordinating all correspondence, due diligence review, in-depth analysis of issues and strategies, and administering payroll for circle staff

who may be employed by the host. The fee structure is tiered accordingly.

THE APPEAL TO WOMEN

Giving circles are particularly attractive to women who are eager to join together to invest their social, intellectual, and financial resources to effect change. Shaw-Hardy and Taylor's fundraising research indicates that women are motivated to give for six reasons, which they call the "Six Cs of Giving": 1) to **create** something; 2) to bring about **change**; 3) because they have **connected** with a cause, organization, or institution; 4) to be part of a larger effort in **collaboration** with other women; 5) to be part of a larger **commitment** to the cause; and 6) to have fun and **celebrate**.[1] Clearly, giving circles are well positioned to tap into uniquely female reasons for giving. The power of the collective, the connectedness of the circle and the new relationships that participation brings, and the opportunities for skill-building and education resonate with potential members. Plus, by pooling their resources, participants can achieve a more significant impact with their charitable giving than they would as individuals, another important factor for women.

Shaw-Hardy identifies the following common elements of women's giving circles, but our experience suggests that these characteristics are reflective of all giving circles, not just those organized by and for women:

- Membership is broad, diverse, and inclusive.
- The amounts of money contributed are generally the same from each member and are given at least annually.
- They make philanthropy an engaging activity in which many women will want to be involved.
- The money is pooled.
- Members determine how the money will be distributed.
- The money is used to help address specific community or institutional needs.
- The giving circle provides educational opportunities for members to learn more about philanthropy and finance.

- The circle itself becomes the visible donor and there is a minimum of individual donor recognition other than personal thanks.
- Volunteers provide most of the circle support. [2]

Although they are well-positioned to tap into what motivates women, giving circles need not be gender-specific. In Maryland, we have nine giving circles in addition to the BWGC and WGC of Howard County, many of which involve men.

One of the most nationally recognized giving circle models is Social Venture Partners (SVP), which has a dual purpose of producing more informed, engaged philanthropists and strengthening nonprofits. Founded in Seattle in 1997, SVP[3] (www.svpseattle.org) engages philanthropists to contribute time, money, and business expertise to nonprofits and schools. Participants agree to invest $5,500 a year for two years into a giving pool, a donor-advised fund at the Seattle Foundation. What started with a core group of five individuals grew to 286 Partners at its peak. To date, SVP has invested more than $6 million in 38 nonprofit organizations.

In SVP's model, small groups of Partners do much of the work of the organization—they research social and environmental issues, make investment decisions, and organize volunteer, capacity-building efforts to help grantees, whom they call investees. By working intensely with their small group of investees, SVP pursues in-depth, multi-year partnerships designed to achieve measurable results. SVP's highly engaging approach provides a robust philanthropic experience for donors, which has resulted in much success. A recent *Chronicle of Philanthropy* article noted that SVP has become a "popular franchise" eagerly embraced by donors.[4] SVP's model has been replicated in 24 cities in the United States and Canada.

---

[1] *Reinventing Fundraising: Realizing the Potential of Women's Philanthropy*, Jossey-Bass Publishers, 1995.
[2] "Creating A Women's Giving Circle—a handbook," 2000, Women's Philanthropy Institute.
[3] In this report we refer to the original Social Venture Partners, known as SVP Seattle, as SVP. Other SVPs referenced in this report are identified by their location.
[4] "Cornering the Franchise on Giving." Ben Gose, *The Chronicle of Philanthropy*. August 21, 2003.

Each SVP organization chooses its own areas on which to focus funding, but shares the same mission and core principles and practices as a condition of being part of SVP. Each SVP needs to have a minimum contribution of $5,000, but it can be higher; the SVP Bay Area's minimum is $6,000.

During its start-up phase, a single donor awarded SVP $50,000 to cover operating and administrative costs. Today, the organization recommends that new SVPs start with a 30 percent allocation for operations and program costs, with the remaining 70 percent of funds raised going to the investment pool to be granted to nonprofits. Over time, the allocation of grant dollars should increase, reaching approximately 80 percent of funds collected.

SVP's approach to administrative costs and how those expenses are communicated to donors has evolved since the organization's inception. In the beginning, SVP's resources were allocated between two donor-advised funds; one contained funds earmarked for awards to investees and the other was designated for program and administrative costs. Today, SVP's assets are merged in a single fund to reflect the organization's refined spending plan.

Much of what SVP had historically described to donors as "administrative" expenses were actually grant- or investee-related support costs, such as for staffing grant committees, working with investees, or developing partner education. Nonprofits generally allocate such expenses across those program areas, leaving items such as bookkeeping and costs for processing papers as the true administrative costs. If that had been done, SVP's true administrative expenses are approximately 6 percent. Of the roughly 20 percent of each partner contribution that SVP uses for operating and program costs, between 7 and 8 percent is spent on grantmaking and investee capacity building, 5 percent on partner education and relations, 5 to 6 percent on administrative and general, and 1 percent on recruitment.

The Seattle Foundation does not provide direct support to SVP, but it has facilitated donor introductions and offered advice. SVP pays the Seattle Foundation 1 percent of the outstanding fund value to manage its investments, receive and document all donations, deposit cash gifts, liquidate and deposit gifts of stock, file annual IRS 990 forms, disperse grant checks to approved SVP investees, monitor SVP's administrative fund and checking account, and administer payroll.[5] To address SVP's more complex needs, the Seattle Foundation created a special supporting organization with its own 501(c)(3) status and tax identification number whose sole mission is to provide administrative services to donor-advised funds that have a payroll.

Although SVP's work is instructive to the field, its scale of giving and dual-purpose mission of promoting philanthropy and strengthening nonprofits—which relies on intense involvement with a relatively small group of investees—may not be characteristic of the average giving circle. Our experience suggests that it is more common for newly formed circles to adopt a more modest approach to their operations in which the core functions are grantmaking plus educational opportunities; additional investments of volunteer time are optional. In addition, although SVP has had success with a $5,500 annual contribution, the amount is significantly higher than average. Shaw-Hardy encourages at least a $1,000 minimum contribution when setting up a giving circle. Giving circle proponents suggest that the minimum requirement should reflect the target audience's power to give; for some, $500 or $250 annually may be more appropriate.

The list of giving circles nationwide grows daily, in part because of the efforts of New Ventures in Philanthropy coalitions to grow this form of philanthropy. Their appeal is not just an American phenomenon, however. A recent Internet search revealed a giving circle in Singapore created to provide additional means of support to the country's voluntary welfare organizations. Launched in October 2001 by Prime Minister Goh Chok Tong, the Community Chest's Giving Circle offers an organization and its employees a "convenient and meaningful way of giving" toward the disadvantaged in their community.

_____

[5] "SVP In-A-Box" 201: Launching the Operation. See http://www.svpseattle.org/about_svp/svp_in_a_box.htm

The description of this circle notes, "As like-minded employees gather to commit and make decisions, the level of engagement with the identified charity tends to be higher and more meaningful. Also, the pooled dollar invested towards a common cause can have a far greater impact on the disadvantaged than smaller, individual contribution."[6]

CIRCLE OVERVIEWS

BALTIMORE WOMEN'S GIVING CIRCLE

The Women's Giving Circle at the Baltimore Community Foundation raises money and distributes contributions to projects that improve life for women and their families in the Greater Baltimore community.

The Baltimore Women's Giving Circle is hosted by the Baltimore Community Foundation (BCF). BCF is one of the top charitable foundations in Maryland, ranked fifth by grants distributed and eighth by asset size. Founded in 1972, BCF, which is located in the city of Baltimore, has about 30 employees across its executive, finance, programs, donor services, communications, and technology departments. Its mission is to inspire donors to achieve their charitable goals from generation to generation and to improve the quality of life in the Baltimore region through grantmaking, enlightened civic leadership, and strategic investments. In 2002, BCF distributed more than $20 million in grants and received $19.4 million in contributions; 31 new funds were created during the year. BCF currently hosts and provides staff support to four giving circles: the BWGC, the B'MORE Fund, the Business Impact Fund, and the Quality of Life Giving Circle.

The BWGC was initiated in January 2001 by 12 women who joined together to "get the circle rolling." The founders agreed that the basic framework of the circle needed to be in place before they could actively recruit circle participants, but that the details would be honed later when the circle increased in size. BGP and BCF staff provided the founders with considerable assistance during the planning and development phase.

In addition, start-up and operating funds were made available through a $10,000 pledge from BCF to BGP in 2001, which was specifically earmarked for the development of giving circles. The grant supports some of the circle's outreach activities and events and operating costs.

The circle officially launched at a luncheon in May 2001 and quickly grew to 52 members. Recruiting was done by word of mouth, member referrals, media exposure, and special events, such as a reception hosted at a member's home. As participants were recruited, they became involved in the ongoing efforts to refine the mission, vision, and organizational structure. BWGC's founders chose to involve everyone in the process of defining and refining the circle and its operations to ensure a democratic process and so that all members felt an ownership of the circle. During that intensive planning stage, a BCF program officer provided ongoing guidance and support to the circle's founders.

Memberships in the BWGC are $1,000 per year with a minimum two-year commitment. In 2003, this was revised to include an additional $100 for operating expenses. It was decided that all 52 women who joined in 2001 would be named "founding" members. Payment of dues entitles each member to one vote in the grants decision, although sponsorships through which a member pays additional dues for another woman and joint memberships (two women split a membership and share the vote) are permitted. Initially, the circle members agreed that every dollar raised would be distributed as grants.

The founders set an initial goal to attract 100 members and distribute $100,000. Grants are made once per year in late May. Because grant allocations are determined by the total dues received in the year prior, dues must be paid by December 31st to be a voting member during the following year. If members wish to vote the year they join, they must pay for that year and the next.

---

[6] See: http://www.ncss.org.sg/ncss/donate/how_giving_circle.html

The circle is overseen by seven standing committees: Steering, Advocacy, Education, Events, Finance, Grants, and Membership/Outreach. Each committee has a minimum of two chairwomen, sometimes three. The committees are a critical component of the circle and help build leadership from within. As the circle develops, the founders will focus their attention on governance and develop policy guidelines for new members.

The circle solicits grant requests through a formal request for proposals (RFP) process. During BWGC's first funding round, the RFP was distributed to 150 organizations, yielding 50 proposals. BCF develops the RFP distribution list with significant input from circle members. The chairs of the Grants Committee read through and sort all of the proposals, which are then reviewed by a Reader's Group, for which anyone can volunteer. The Reader's Group evaluates, eliminates, and reaches consensus on grant proposals to be advanced and allocated funds. Because the work of the Readers' Group requires a substantial time commitment, not all members choose to participate.

The Reader's Group works in teams to assess the proposals, conduct site visits, and report back to the larger membership. During Round I, 36 readers separated into five teams that reviewed 10 proposals each. After reviewing each proposal, the Reader's Group convenes to whittle down the list of proposals to be voted on by the circle's membership. After reaching agreement on the worthy proposals, the group prepares a ballot that includes a description of each grant request and amount of funding recommended. The total funding recommended equals the total available for grantmaking. The members then vote on the ballot; requests that receive a majority of votes are funded. If any project listed is not approved by a majority of the membership, that project's proposed funding amount is evenly distributed to the other projects that are approved for the year. The docket has been accepted in its entirety for the past two award cycles. Generally, the circle's members have confidence in the extensive and thoughtful evaluation of the proposals and ratify the slate of awards submitted for approval.

BWGC Statistics, 2001–2002

- The membership fee is $1,000 per year for at least two years; starting in 2003, members are asked to contribute an extra $100 for operating costs.
- Grantmaking focuses on programs that benefit women and their families.
- 52 founding members.
- The first round of grants was awarded in May 2002, representing all members as of December 31, 2001—$51,834 awarded to 10 organizations.

BWGC Statistics, 2003

- 127 members as of September 2003.
- Second round of grants awarded in June 2003—$100,720 awarded to 10 organizations.

See Appendix I (page 27) for a full list of 2002 and 2003 grants.

During Round I, readers conducted the site visits for the proposals their team reviewed. This worked well, but perhaps a bit too well: Readers became deeply committed to the organizations whose proposals they reviewed, which sometimes made it difficult to arrive at a consensus or a compromise during the final decision-making phase. Going forward, the proposal review and site visits will be conducted by separate individuals who will have to trust that members will conduct a sufficient review and report back fairly. Members understand that, given the circle's resources, they simply cannot support every meritorious proposal. Circle members have already demonstrated a willingness to personally provide additional support—both financial and volunteer time—to the organizations they found most worthy.

WOMEN'S GIVING CIRCLE OF HOWARD COUNTY

Mission Statement:
The mission of the Women's Giving Circle (WGC) is to build a community of women philanthropists, create a permanent endowment fund, and provide grants to institutions and initiatives that address the needs of women and girls in Howard County.

The Women's Giving Circle of Howard County is hosted by the Columbia Foundation. Founded in 1969, the Columbia Foundation is Howard County, Maryland's community foundation. Its purpose is to enhance the quality of life in Howard County by helping to meet diverse needs and building a more caring, creative, and effective community. With a staff of three and assets of $7.4 million, the foundation disbursed grants of nearly $550,000 in 2002 to more than 50 Howard County nonprofit organizations.

The WGC of Howard County was initiated in September 2000 by 16 women and officially launched in February 2002. BGP offered staff assistance and $1,000 in start-up funds so the Columbia Foundation could initiate the giving circle. BGP's staff support was considerable as the foundation does not have dedicated program staff. The circle was further supported by a $15,000 capacity-building grant from the Horizon Foundation in 2002 for outreach and the development of a Web site. A Guiding Circle, comprised of the 16 founders that includes the BGP director, engaged in the 18-month planning and development period before publicly launching the circle. In addition to hammering out the mission and vision, the Guiding Circle devoted significant attention to development of the circle's infrastructure, including the bylaws (see Appendix II), a succession plan for membership in the Guiding Circle, committee structure and assignments, and the criteria for ongoing, strategic grantmaking. The Guiding Circle serves as the Board of Trustees and governs the WGC and directs the distribution of the funds. WGC activities are overseen by six committees: Executive, Education, Membership, Promotion, Grants, and Nominating.

The WGC of Howard County is designed to be inclusive, spanning generations, income levels, and occupations. Contributions to the circle automatically make the contributor a participating member, with established gift levels ranging between $100 and $5,000. The money can be paid in one lump sum or, in the case of donations over $1,000, can be paid over five years. Recruiting was done by word-of-mouth, member referrals, local media exposure, and special events, such as a tea. Because it has close to 200 members, the circle does not intend to have all members vote on grants. Most of the work is done within the smaller Guiding Circle, comprised of 15 to 18 members who review requests for funding. Thus, the WGC of Howard County operates differently from most giving circles in that the amount donated by all members is not the same and decisions are made by a small number of participants.

Further, the WGC of Howard County places 80 percent of the funds raised in an endowment, a philanthropic legacy for the long-term support of programs important to women and girls. The remaining 20 percent of the funds is distributed as grants to social service agencies and nonprofits based on criteria established by the WGC membership. The decision to build an endowment reflects the founders' understanding of their region's relatively modest philanthropic infrastructure and burgeoning population growth.

Unlike Baltimore, which has a strong philanthropic base, Howard County has relatively few philanthropic institutions despite a significant charitable potential. Howard County is located between Washington, DC, and Baltimore, and is one of Maryland's fastest-growing regions, increasing in population by more than 32 percent over the past decade.[7] The Maryland Office of Planning projects that the county's population will continue to grow, from 247,842 in 2000 to 297,000 by 2030. The county's citizens are among the wealthiest in Maryland, with a median household income of $83,100. Recognizing the opportunity to make a substantial impact on the

---

[7] U.S. Bureau of the Census. http://quickfacts.census.gov/qfd/states/24/24027.html

county's philanthropic base, the WGC of Howard County included as part of its mission creating a permanent endowed fund and expanding the giving and participation of women in local philanthropy.

The WGC held four Learning Sessions in its first year of operation through which a variety of community experts familiar with the issues facing women and girls shared their knowledge and experience. The sessions generated serious discussions between community experts and members of the WGC. Similar sessions are now part of WGC's regular activities. As a result of its study, the WGC decided to focus its initial grantmaking on efforts to improve low-income women's access to information and services and to address their severe transportation needs. Members also meet with representatives of nonprofits and/or service providers about specific programs they have in place or can create to address these issues.

As part of its overall grant strategy, the WGC earmarks 10 percent of its yearly grantmaking budget for "emergency grants." The WGC awarded its first emergency grant in December 2002 to assist a woman who needed extensive dental work. The first recipient is the only caregiver for several grandchildren and is attending Howard Community College (HCC) in

pursuit of a nurse's aide certificate. The college has several programs that provide extra support to women to help them become more self-sufficient. WGC's $200 financial assistance for the dental procedure was matched dollar for dollar by the HCC Educational Foundation. The WGC will continue to assist nonprofit organizations with emergency aid as appropriate in addition to the ongoing grant award process.

The circle also initiated a "WGC Response Network" to disseminate to members specific requests from nonprofit organizations that assist women and girls in the community. Each month the WGC eNews posts agency requests under $1,000—members who are interested in helping out with financial assistance, in-kind donations, and/or volunteer help may then contact the agency directly. WGC expects that the Response Network can provide members with another avenue to help women and girls in need.

REFLECTIONS FROM CIRCLE FOUNDERS

GETTING STARTED

Both circles in our study were created with the support and buy-in of their host organizations. Thus, their experiences may differ from those of circles that formed first and sought a host later. BWGC's leadership credits the welcoming environment provided by BCF and the professional staff who helped nurture and guide the planning and implementation of the circle as critical to its early success. They were particularly fortunate to have the ongoing guidance of a program officer assigned to the circle who acted as a coach, facilitator, and motivator throughout the planning process and who continued to provide extensive volunteer support as the circle matured.

Although the WGC of Howard County also benefited from the buy-in of the Columbia Foundation—its Executive Director is a member of the circle—it did not have the advantages of staff support from a program officer. Instead, the circle's leaders relied more heavily on volunteer leadership and the staff of the BGP to get the circle under way. Because the WGC had capable, committed volunteers and the help of BGP staff, the lack of staff support from the Columbia Foundation was not an obstacle.

WGC OF HOWARD COUNTY STATISTICS, SEPTEMBER 2003

- Grantmaking priorities are to fund programs in Howard County that benefit women and girls.
- 207 donors.
- Any size pledge accepted. However, given the challenges of processing many small payments, pledges of $100 or more are now encouraged.
- A total of $224,000 has been pledged; $124,000 has been collected.
- An emergency assistance grant of $200 was awarded in 2002, with the first full round of grants scheduled to be awarded in fall 2003.

The leadership of both circles agrees that initiating the circle requires the same careful planning as starting any new organization. It takes time, patience, and capable volunteers who have ownership of the effort. Volunteer leadership is essential; even if staff support is available, the circle cannot be *driven by* staff at the host organization.

SETTING THE MISSION AND VISION

The mission and vision must be developed by a core group of "initiators" so that it can be shared with potential participants to help get the circle off the ground. The mission helps to bring the concept of the circle to life for potential members; if it resonates and connects with the target audience, recruiting will be easy. However, one person described the process of creating the mission and vision as a "chicken and egg" scenario—a mission is critical for developing the message by which you recruit members, but if the mission is too rigid and created by too few members, circle founders risk alienating prospects. Yet if the founders do not craft a mission, the concept of the circle can be too "squishy" so it becomes harder to get buy-in. The circle founders must take the time to create a solid framework for moving the fund forward.

A core group of 12 women started the work for the BWGC; 16 for WGC of Howard County. They all agree that at first the process of creating a mission and vision requires a leap of faith—can you create something that will energize like-minded others and get them to join the circle? Setting the mission can be a challenging, rewarding, and very time-consuming process. BCF staff helped facilitate the process for the BWGC and brought in outside experts as appropriate, while the founders of the WGC of Howard County largely muddled through the process without an external facilitator.

Part of the challenge is finding a mission that has broad appeal but is relatively narrow in focus. A concise mission will help the circle as it enters its grantmaking phase—providing benefits for both circle members who will be better able to determine which proposals fit their mission and grantseekers who will be able to determine if they should seek support. Articulating the mission can be a very challenging process; one key concern is that it needs to be tight and focused.

The guidance of a program officer or philanthropic expert may be worthwhile at this stage of the process.

SETTING A TIMETABLE

Starting the circle and giving grants within a year—as suggested by the BGP's Giving Circle Toolkit—is possible, but very challenging. Although the founders of the WGC of Howard County spent considerably more time during the planning stage, following the circle's official launch they will make their first grants within a little more than a year. The BWGC leaders, however, set a goal to launch the fund and give grants within a year. They accomplished that goal, granting $51,834 to ten organizations exactly one year from the official launch.

BWGC leaders noted that it can be important to stick to a proposed calendar to keep the circle's momentum. They suggest that it is better to get the money out the door than to agonize over a "perfect" grants process, which is an unrealistic expectation for the circle's first round of grants. Plus, the success of early grantmaking supports the circle's efforts to recruit members and signals that the fund is on its way to making a difference.

One thing is clear: Setting a timetable is useful for keeping the circle focused and moving forward. The rigor of that timetable should be dependent on what feels right to the circle's members and the time they have to devote to the process. Staff support from the host organization or a strong commitment from the leadership can help the circle keep to a timetable.

RELATIONSHIP WITH A SPONSORING ORGANIZATION

A welcoming, supportive relationship with the host organization is a critical backbone for the success of a giving circle. Founders of both circles noted that the relationship with the host can lend instant credibility and legitimacy, plus as a founder of the WGC noted, it "spares the circle the burden of accounting" and tax preparation. Community foundations may be ideal hosts because they regularly perform such accounting and auditing functions for donors and they do it with a high level of trust—one circle founder noted that "they are accustomed, capable stewards." Plus, staff generally has a strong understanding of community needs or issues, and the

local nonprofit community and has expertise in grantmaking.

A downside to the relationship with a host is that some donors may be unclear about the nature of the relationship or may question why the host was selected instead of another similarly situated organization or instead of creating a new, independent organization. It may be important to educate donors, particularly those accustomed to making donations directly to the nonprofit of their choice, on the financial, legal, and administrative requirements of the charitable giving fund. Once the circle matures, the leaders can periodically assess the relevance of the relationship with the sponsor and can pursue independence if appropriate.

ORGANIZING AND STAFFING THE CIRCLE

There are several models for organizing and staffing a circle. In her giving circle guidebook, Shaw-Hardy suggests three: 1) volunteers run the circle with a president and board as the guiding force behind the effort, 2) volunteers work with the sponsoring organization in operating the circle, and 3) a person from the sponsoring organization staffs the circle as part of his or her job description. The WGC of Howard County and BWGC follow the latter two, respectively. The staffing scenarios, however, were largely a matter of available resources. BCF has several program officers, so in keeping with the organization's commitment to the circles' success, staff was assigned to assist with start-up operations and ongoing management. Because the Columbia Foundation has no program staff, the WGC of Howard County operates primarily through its own volunteer board. It has had great success with the volunteer-driven staffing model, due in large part to the extraordinary dedication of circle founders.

BWGC leadership has credited BCF's capable staff for their incredible support, which helped lead the way for the circle. Many leaders specifically commended the program officer who staffs the circle for her remarkable ability to continually provide excellent customer service to the circle despite a myriad of other responsibilities. All agree that BCF's staff contribution to the BWGC has been significant and much greater than anyone anticipated. Going forward, circle

founders and staff agree that many of the BWGC activities that are now handled by staff will be transitioned to the circle's volunteers. The circle's leadership notes that in their second year of operations they have achieved a certain level of maturity that enables this transition of duties to take place. Yet, with the incredible growth of the circle's membership comes additional committees, educational offerings, and administrative duties, so the BWGC is considering supplemental support staff on a part-time basis.

Coordinating a circle on a strictly volunteer basis can be very time-consuming and requires a significant commitment on the part of members. Circle founders should carefully consider what level of staff support from the host organization will work best for their circle. Founders should discuss the options—and the relevant fee structures—as part of the process of selecting the right host organization. SVP's Paul Shoemaker suggests that if founders want to build a circle that is sustainable and scalable over the long term, a staff position is mandatory.[8]

Further, a strong leadership development plan should be adopted to prevent volunteer burn-out. Both circles developed a committee structure for getting the work done and growing their fund's leadership. BWGC has six standing committees—each with two to three chairs—plus a steering committee comprised of the committee chairs plus two ad hoc members. The committees are the "engine" that moves the circle forward. The WGC of Howard County has six committees, each with a minimum of five members, with leadership appointed by the Executive Committee, which is comprised of the officers and standing committee chairs.

ADMINISTRATIVE AND START-UP COSTS

Operating a giving circle costs money! During their first years of operation, the BWGC and the WGC of Howard County spent roughly $7,000 and $12,000 respectively on administrative expenses. These costs include letterhead, mailings, speaker's fees and travel for educational programs, printing, and office supplies.

---

[8] Personal communication with the authors. September 14, 2003.

Shaw-Hardy wisely notes, "Be prepared to understand that women often have a problem with spending money for overhead. They may want to keep the expenses as low as possible to ensure that all their money is being given out in grants. On the other hand, the membership may expect a level of service that they would find in a larger, more established nonprofit." Neither the BWGC nor the WGC of Howard County built administrative costs into the circle operating budgets from the start; both agree that this decision was impractical and have taken steps to raise additional funds to cover their administrative expenses. Shoemaker notes that how you describe and position these costs to members is very important.[9] In the early years, SVP counted many legitimate program expenses as operating costs. After a period of investigation and discussion, the SVP board changed the way in which partner funds are allocated. The new allocation process not only ensures a more accurate accounting of expenditures, but also demonstrates to donors that SVP is operating effectively and efficiently.

Founders should understand the importance of budgeting for administrative costs, educate potential members about the fiscal realities of operating a giving circle, and during the planning stage develop a plan for covering administrative costs. Options include seeking sponsorship or financial support from private or corporate funders, raising additional funds from circle participants, or devoting a portion of the overall budget for these expenses. If the host organization has sufficient resources to continue to cover these costs, it may make a conscious decision to "take a loss" on the circle, with the specific plan that donor education and development efforts will ultimately reap financial benefits that make the circle worthwhile. However, it is unlikely that most host organizations can donate all of the resources necessary to get a circle off the ground. In most cases, the host may offer an in-kind donation of staff time, but the circle must pay for letterhead, luncheons, marketing materials, and recruiting events.

Leadership of the BWGC and the WGC of Howard County suggest, respectively, earmarking a portion of each member's gift to administration (e.g., $1,100 donation: $100 for administrative, $1,000 toward the fund balance) or earmarking the initial founders'

donations for administrative expenses and directing all other donations toward the fund balance. The administrative budget may be in addition to overhead costs, such as staff time for circle assistance and fund management. SVP's earlier model of creating two separate funds—one for grantmaking, the other for administrative costs—may be useful for larger circles that anticipate greater expenses or hiring their own staff.

BRANDING AND COMMUNICATIONS

During the start-up phase, circle founders should consider developing an overall communications strategy. Will the circle develop its own logo and letterhead? What about brochures, a Web site, or a printed or e-newsletter? These seemingly simple items can be time-consuming to develop and can quickly add to administrative costs, further reinforcing the need for start-up resources. In many cases, circle members can provide "in-house" expertise on branding and communications. For example, a committee may take responsibility for designing a couple of logo options to be voted on by the entire membership. The circle's communications plan should be developed in partnership with the host organization to ensure compatibility and adherence to organizational standards.

The WGC of Howard County effectively communicates with its entire donor base through a monthly e-newsletter and Guiding Circle members keep in touch regularly via email. The BWGC produces a print newsletter twice yearly and does not rely heavily on electronic communications because a portion of the membership does not use email regularly. WGC's overall communications strategy includes the development of a separate Web site (www.womensgivingcircle.org) for which they received grant support from The Horizon Foundation, one of the few private foundations in Howard County. Special care was taken to ensure that the WGC's Web site meets the Columbia Foundation's communications requirements and standards. The BWGC is featured within BCF's site, but members have chosen not to pursue an independent site at this time.

[9] Personal communication with the authors. September 14, 2003.

DETERMINING CONTRIBUTIONS

Founders note that determining the "right" level of contributions can be difficult. In her handbook, Shaw-Hardy encourages a $1,000 contribution as a way to help women think of themselves as philanthropists and to make a genuine impact on the organization, community, or institution. BWGC representatives suggest that the financial contribution required should be a *stretch* for potential participants so that they have the necessary buy-in and the commitment to the circle. BWGC chose $1,000, but its leaders note that the amount should depend on the age and financial circumstances of potential members. For a younger target audience, $500 or even $250 may be more appropriate. In many ways, the amount will define who the circle attracts. Setting the amount too high will exclude a significant portion of the target audience, yet setting it too low will limit the fund's overall philanthropic impact.

The contribution schedule should also reflect the organization's mission and operating structure. BWGC representatives feel strongly that an equal contribution by all members ensures a democratic circle. The WGC of Howard County, on the other hand, struggled with how to meet its goals of expanding women's participation in philanthropy and achieving age and income diversity among its membership to be more reflective of Howard County's demographics. They ultimately decided that they would accept pledges of varying sizes, as small as $25, so the circle could be as inclusive as possible. The policy was later revised to a minimum pledge of $100 and several donor categories were created: Diamond—members who donate/pledge $5,000 or more; Emerald—members who donate/pledge $2,500–4,999; Sapphire—members who donate/pledge $1,000–2,499; Ruby—members who donate $250–999; and Amethyst—members who donate $100–249. One of the challenges of accepting donations of varying sizes from members is the issue of equity and fairness. Does the member who donates $100 have less of a voice than someone who donates $5,000? The WGC's unique operating structure that allows only the Guiding Circle members to vote on grants eliminates these issues.

SINGLE LUMP-SUM DONATIONS VERSUS PLEDGES FOR INSTALLMENT PAYMENTS

Allowing members to make a pledge and then pay their donations in installments over time is a reasonable policy; however, circles should exercise extreme care to limit the number of installments permitted. The staff and/or volunteer time involved in processing numerous reminders and payments can be extraordinary. If the circle allows pledges, the leadership ought to think through and articulate an agreement in writing regarding how, when, and by whom the collection process will be handled. How will members be reminded of their gift—a letter, postcard, or other solicitation? When will they be reminded—the anniversary date or the same time each year (*e.g.*, every January)—and how will follow-up for nonpayment of pledges be handled—a phone call, personal note, second reminder letter? Who will handle the collection and processing of the checks, including the issuance of receipts to donors? If the host organization does not have the in-house capacity to take on this task, the circle's leadership should consider a very limited pledge system.

PLANNING FOR GROWTH

During the planning stage, founders should consider whether the circle's structure can support unlimited growth. If the circle is set up so that each member has an equal vote and all decisions are made by consensus, the process can become unwieldy if there are numerous participants. Because the WGC of Howard County operates through a smaller Guiding Circle, it can accommodate quite a large membership. On the other hand, because much of the BWGC's membership is active in the grantmaking process, exponential growth could be detrimental to that circle's effective operations. BWGC's leaders anticipate that, with attrition, their circle will stay manageable, but should the circle experience unanticipated growth, some processes might have to be adjusted to ensure smooth operations.

As a circle grows, communication issues may arise and it can become difficult to keep members connected and engaged, which is necessary to sustain their interest in the circle. Shoemaker advises that the strong

sense of community and personal connections between members is a critical success factor over the long term. Accordingly, the leadership should identify modes of communication that work for all members—regular mail, email, fax, or personal contact—and develop appropriate strategies for keeping them informed and engaged. If the circle has or anticipates well over 100 members, the leaders should identify ways to continually involve members in the circle's activities. Strategies may include a newsletter or e-newsletter, regular meetings (annual or biannual) of the entire membership, and regular personal or email contact. Another important consideration is how new members will be introduced to the circle and engaged in its work. A new member orientation program that provides an overview of the circle's membership, history, mission, grantmaking priorities, past grantees, and ways to become actively involved (*e.g.*, committee participation, volunteer opportunities) is recommended.

Last, an unintended consequence of growth can be a shortage of meeting space. Neither BCF nor the Columbia Foundation has space to accommodate the full membership of the giving circles. Circle leaders must secure space—either donated or rented—to hold meetings for the full circle. This can present both scheduling and financial difficulties.

OTHER REFLECTIONS

All the women we talked with speak very highly of their experience with the giving circles. They note that the circles have inspired and motivated civic engagement among a cadre of women, many of whom had no relationship with one another prior to joining the circle. Further, they feel empowered by the shared contributions of financial and intellectual capital, which creates an enormous opportunity to effect change. In its second year, the BWGC awarded more than $100,000 to ten nonprofit organizations—a sizeable amount of money by any standard. Similarly, the WGC has raised $224,000 to date, much of which is building an endowment—a philanthropic legacy to further the circle's mission. In addition, the enriching and rewarding educational opportunities appear to reinforce the members' commitment to the circle and the chance to participate more fully and strategically

in their philanthropy. Longer-term follow-up on the circle's impact on participants' philanthropic philosophy and practice is recommended.

REFLECTIONS FROM HOST ORGANIZATIONS

IN THE BEGINNING

From the outset, BCF and the Columbia Foundation embraced the opportunity to host the giving circles as the "right thing to do." Staff notes that the circles have the power to get donors "excited about and connected to giving," plus the educational component helps them to understand nonprofit organizations and community needs. Further, the circles have considerable reach in terms of their power for civic engagement and for advancing the host's mission to improve the community. Last, by bringing new donors to the community foundation, the circles hold promise for growing the host's asset base, further supporting fulfillment of the host's mission. But like any new activity, the decision to host a circle should fit within the organization's overall strategic plan, programmatic priorities, and available resources. Without sufficient resources to properly support the circle, the fund could quickly damage the host's standing in the community and relationship with other donors.

Because giving circles are relatively new philanthropic vehicles, BCF and the Columbia Foundation agreed to the role of host with a limited ability to foresee the varied requests for support and staffing demands that the relationship might bring. Interestingly, the reflections and lessons learned by both organizations are remarkably similar despite their different capacities. Although both hosts agree that the circles have engaged new donors, raised their visibility in the community, and fostered mutually rewarding relationships with participants, the circles are administratively demanding and require a substantial commitment from the host throughout the first year or more of development. Further, because neither host organization currently has a tiered fee structure for donor-advised funds, the circles generate very limited revenue despite their considerable activity levels and staffing demands.

Specifying the Elements of the Hosting Relationship

One of the most important lessons learned is that the hosting relationship should be discussed, carefully considered, and fully explicated at the start. A comprehensive, written agreement should outline the nature of the relationship and the role of all departments, including program, finance, donor services, and communications. The nature and extent of staff support—if offered—should also be clarified. Does support include participation in circle meetings, preparation of minutes and other documentation, handling of correspondence, fielding requests for information from grantseekers, and meeting scheduling and event management? Many donors, especially those who already have a relationship with the host, may be accustomed to a certain level of service, which could become difficult to maintain if the circle has a large membership.

Another important aspect to be discussed upfront is policies on donor outreach, cultivation, and solicitation. Both circles in this study got under way with expectations on both sides—either explicit or implicit—that their relationship precluded fundraising solicitations from the host. Although this may be important during start-up (*e.g.,* circle founders should not become de facto development officers), the nature of the philanthropic relationship merits additional discussion as the circle matures. As donors hone their funding interests, it is only logical that the host might play a role in furthering those objectives through the creation of a new fund, participation in existing field-of-interest funds, or pursuing other opportunities to support meaningful projects. The hosting agreement, therefore, should not bar the host from reaching out to and partnering with donors to meet their philanthropic objectives.

In addition to clarifying the nature of the hosting relationship, the foundation may want to encourage the circle to appoint one or two persons to act as liaisons to limit the number of inquiries or requests for information that staff receive. For example, it is reasonable to expect that staff should respond to requests for information (*e.g.,* current fund balance) from members of the circle. However, if too many members contact the staff regularly, the demands of responding to each and every request could become quite burdensome.

A well-articulated agreement will help the host organization manage expectations about service. Both hosts indicated that they were not always able to meet some of the varied requests for service or support to the circle; having to say no to a donor can be difficult. A detailed hosting agreement also ensures that quality control can be maintained—while the circles have the power to bring positive exposure, they also hold the potential for reputational damage if no controls are in place governing activities such as press releases, presentations, and relationships with the media.

Staff Support for the Circle

Before entering into a hosting relationship, an organization should carefully consider what level of staff support—particularly programmatic—it can offer the circle. Some giving circles may desire only a very limited relationship with the host that consists of fiduciary oversight, including the 501(c)(3) umbrella, portfolio management, and audit/IRS Form 990 preparation. However, many request a more robust package of services, including database development and management, donor or fund analysis, and marketing and communications support. In these cases, hosting a giving circle is extraordinarily staff-intensive. The resource demands must be carefully weighed against the host's capacity. With a staff of three, the Columbia Foundation quickly discovered that it could not always provide the WGC members with the highest level of customer service.

To better understand their capacity limitations, staff at the Columbia Foundation carefully monitored how they spent their time over a three-week period and determined that WGC activities used close to 60 percent of the donor services time of both the executive director and the marketing and communications director, plus nearly the same percentage of clerical support time from the administrative assistant. Although the three-week period they analyzed represented a more robust period of activity for the giving circle, their assessment indicated that the foundation's level of investment in the circle was significant despite the fact that the circle is run primarily by volunteers, without explicit staffing from the foundation.

BCF is currently hosting several giving circles, with the staffing demands spread across several program staff persons. Given the demands of the existing circles, BCF staff suggested that it would be imprudent for them to take on additional highly engaged funds because they would not be able to provide a consistent level of service. Smaller foundations with few staff should carefully consider whether they have the organizational capacity to host a circle. Ideally, a host foundation should have a full-time program officer to whom the circle's management can be assigned.

Educating Circle Participants

Another element of the giving circle that affects the host organization is educational programming. Although it may be best for the circle to operate as autonomously as possible, the host organization should expect to work in partnership with circle members to identify, design, and implement educational opportunities for circle members. Learning opportunities ought to be built in to the early stages of the circle's development. In particular, a "Philanthropy 101" course is recommended that includes an overview of the field and the host organization. All donors to the circle should fully understand the nature of their relationship with the host and the role the host plays in the broader philanthropic community. Subsequent sessions may cover topics such as "How Nonprofit Organizations Work," "How to Review a Grant Proposal," "How to Conduct a Site Visit," and subject-area presentations.

Educational programming can be a useful way to showcase the host organization's expertise and educate circle members on the array of options available to meet their charitable giving goals. As the circle matures, the host may offer other educational opportunities through newsletters, educational workshops, or other communications materials to members. SVP's work on partner education provides a useful framework for the content and logistics of educational programming. Further, their research on SVP's impact suggests that the educational offerings are an important aspect of the relationship—donors saw SVP more as a focal point for learning about philanthropy than as a giving vehicle.[10]

Marketing and Communications

Another area that requires consideration is marketing and communications. Before entering into a hosting relationship, the foundation should craft a policy to guide the circle's marketing and communications activities. Specifically, the development of logos, branding (Must it conform with the host's?), whether a separate Web site is permitted or whether space on the host's site will be granted, and rules for identifying the host organization in all written materials should be specified. The latter is important from both a communications standpoint and a legal one. As a donor-advised fund within a larger charity, the circle must clearly identify the host organization. For example, the Columbia Foundation requires the following: "The Women's Giving Circle of Howard County is a fund at the Columbia Foundation." The policy should also indicate whether materials developed by the circle must be reviewed and approved by the host.

Administrative Expenses

Foundation staff shares the same perspectives as circle leaders about administration: A plan for handling administrative and operating costs should be discussed during the start-up phase. Initial underwriting—or in-kind support from the host—is particularly helpful for getting the circle under way. As the circle matures, the host organization and circle members must agree on how to cover these costs. Options include seeking sponsorship or financial support from other funders, raising additional funds from circle participants, and devoting a portion of the overall budget for these expenses. If the host organization has sufficient resources to absorb these costs, it may make a conscious decision to "take a loss" on the circle, with the specific plan that donor education and development efforts will ultimately reap financial benefits that make the circle worthwhile.

---

[10] "Transforming Philanthropic Transactions: An Evaluation of the First Five Years at Social Venture Partners." Blueprint Research & Design, Inc., 2003. See also "SVP in a Box. SVP: 401 Partner Education," available at www.svpseattle.org.

Using the circle as a loss leader—the strategy of offering a product or service at a considerable discount and loss of profit in order to attract future customers—is worthwhile, however, only if the host organization has the resources to capitalize on and cultivate relationships with the circle's members. Loss leaders are a common practice for businesses when first entering a market. The loss leader's job is to introduce new customers to a service or product in hopes of building future relationships. If the foundation does not have the resources or institutional mechanisms to cultivate donors—or if the hosting agreement precludes such solicitations—the decision to host the circle must be grounded in other institutional priorities and backed by supplementary resources.

The hosting agreement should also establish rules about under what circumstances the circle can incur administrative expenses and identify a reporting protocol so the foundation staff can provide proper oversight over the circle's operations. Although neither of the circles in our study experienced any difficulties or improprieties with regard to spending, one can envision a scenario in which a "wayward" member obligates the circle, and thereby the host, to a contract or expenditure that is unreasonable. Proper safeguards against such activities are a must. For example, SVP's board approves the administrative budget developed by its executive director. Beginning in its second year of operation, SVP set a limit on administrative spending at 13 percent of the amount of partner contributions for the year. The Seattle Foundation monitors SVP's administrative spending as well. To move funds from the administrative account into the checking account, the Seattle Foundation must be informed as to how the funds will be used.

ADEQUATELY PRICING THE HOSTING RELATIONSHIP

One of the primary purposes of this research was to better understand the financial and organizational underpinnings for a successful, sustainable circle. Giving circles are designed to provide donors with a more enriching philanthropic experience, which is theorized to stimulate more strategic and increased giving. Ultimately, this impact might substantially accrue to the host and/or the local nonprofit community. A central concern of ours, however, was the preliminary evidence that the circles simply do not pay for their true cost to the host. Host organizations typically are not charging a management fee for their role, nor are they earning much revenue during the early stages of development when the burden on the foundation is the greatest. Thus, host organizations are challenged with how to appropriately manage and staff giving circles—and similarly resource-intensive donor-advised funds—given the strain they place on operating resources.

To generate operating revenue, community foundations charge for their fund management services, typically on a percent basis (*e.g.*, 1 percent of the fund balance). There is no uniform set of pricing strategies—some foundations charge all types of funds the same percent, some have a sliding scale tied to the fund's size and activity level, some charge an initial set-up fee and then retain the interest on the fund, and others charge a percentage of the grants paid, which can range from 1 percent to 10 percent depending on the fund's size, scope, and expenditure responsibilities. The timing and balance upon which fees are charged is also variable—some charge on the monthly or annual fund balance (which means that pass-through funds may generate very limited income for the host) or on a peak value. Last, some foundations set minimum fund balances, which usually take into account the foundation's cost of servicing the fund (*e.g.*, $100,000 for donor-advised funds). If a foundation already offers a tiered set of services to fund-holders, it may be better positioned to host a giving circle. Part of the challenge otherwise is to explicate the resource commitments across departments to inform a proper pricing strategy so the foundation can recoup some of its management costs.

Although some have noted that host organizations should recognize the value of offering a loss leader such as a giving circle, it is rare that a community foundation can offer on a long-term basis an array of donor services that have no way of paying for themselves. Research indicates that community foundations with a significant asset base—those with assets of $5 million or more in primarily permanent funds—are generally better able to meet their mission because the assets support the staff and back-office functions required for more exponential growth. These larger foundations may also be much better-positioned to host resource-intensive funds, such as giving circles.

Research also indicates that once a level of $5 million in assets has been reached, a community foundation's growth is "rocket-like" in its rapidity.[11] Smaller foundations, therefore, are encouraged to focus on asset growth above other activities. Directing resources toward nonendowment-generating activities, such as giving circles, may be counterproductive. However, if the giving circle can quickly connect a smaller foundation to many donors and raise the organization's visibility in the community, the diversion from endowment-generating activities may be worthwhile if significant start-up resources can be secured to support the foundation's contribution to the circle.

The issues of pricing and the true cost of a community foundation's services are not tied only to the growth in giving circles. Many community foundations are currently exploring the issue of fees for service in response to some significant changes in the market, namely the introduction of gift funds at private financial institutions. The sophistication of a community foundation's fee structure was less important when the core business was tied to permanently endowed funds. However, as donor-advised funds have grown in popularity, and particularly because of the increasing effort by financial institutions to capture a portion of this market, a carefully crafted pricing strategy that factors in the cost of opening and servicing a fund is a must for any community foundation. Although few community foundations strive for a fee structure that will generate enough revenue to cover 100 percent of operations, many have begun to recognize that they do not have to give their services away either.

Understanding the necessity of assessing and improving their existing fee structure, the Columbia Foundation staff undertook an analysis of its donor services activities, with particular attention to the WGC. They also consulted with Collis Townsend, the former Executive Director of the Delaware Community Foundation, on developing an appropriate pricing strategy. Their functional analysis of donor services (see Donor Services table on pages 23–24) is extraordinarily useful for any community foundation interested in exploring a tiered fee structure.

The analysis breaks down services into core, value-added, and premium. Core services are activities that are offered as part of a standard fund management agreement; value-added and premium services include assistance such as database management, special events payment tracking and reporting, donor fund analysis (e.g., number of donors by the amount pledged), proposal processing, prospect identification, and branding services. For many activities, the difference between whether it is considered a value-added or premium service is the volume of work required as measured by the number of transactions. For example, sending one to five thank-you letters annually is considered a core service, six to 15 is considered value-added, and 16 or more thank-you letters is a premium service.

The Columbia Foundation's pricing strategy for each level of service is still in development, but its framework is a useful model for any organization considering a tiered fee structure. The donor services table enables a foundation to identify a set of services that are reasonable given available staff and articulate an appropriate fee structure, including whether start-up or other fees are indicated. For example, a community foundation may not initially be in a position to offer value-added or premium services; those services could become available—for a fee—as the foundation's asset base and staff grow. Or other income-generating strategies might be pursued, including charging a nominal fee for certain transactions to capture some of the operating costs related to fund management. For example, if a giving circle hosts an event that costs $22 per person, the foundation might add a $3 fee to each transaction (*e.g.*, tickets would cost $25 each) in exchange for processing the registration payments. Ideally, the new fee structures being explored and implemented will more accurately reflect the costs of fulfilling today's philanthropist's fund management and grantmaking.

_____

[11] *Ways to Grow. A Study of Community Foundations Serving Populations Under 250,000* by Eugene C. Struckhoff. Council on Foundations, 1991.

Donor Services—Designated, Advised, Giving Circles, Scholarships and Awards
(From The Columbia Foundation, as of 5/7/03)

Core Services	Core Services 1%	Value-Added	Premium
Fiduciary/Financial			
501(c)(3) umbrella	X		
Deposit/post contributions (individual donation, special events payments, etc.)	X 1 to 5 (transactions)	X 6 to 15	X 16 and up
Investing and managing endowed funds	X		
Managing cash accounts		X	
Calculating market value	X		
Endowed fund account reconciliation	X		
Cash account reconciliation		X	
Audit and Form 990 preparation	X		
Pledge collections			X
Fund reporting	X		
Donor/fund analysis (*e.g.*, donor by amount)			X
Special events payment tracking/reporting			X
Develop fund budget		X	
Fund Administration and Support			
Develop fund mission description	X		
Develop/update fund policies	X		
Develop/administer thank-you letters	X 1 to 5	X 6 to 15	X 16 and up
Handle requests for information (telephone calls, emails)		X	X
General correspondence	X		
Database development/management		X	X
Routine meeting attendance			X
Photocopying, postage, supplies, and printing	X	X	X
Space (*i.e.*, work, storage)		X	
Grant Administration			
Grantee communications	X		
Grant guidelines	X		
Grant, awards, scholarship applications		X	X
Develop requests for proposals		X	X
Terms and conditions	X		
Respond to grantee questions	X		

(Continued)

Core Services	Core Services 1%	Value-Added	Premium
Grant Administration (continued)			
Proposal processing		X	X
Scholarship/award review		X	X
Check disbursements	X		
Evaluation form		X	X
Development and Donor Relations			
Fundraising letters			X
Information and referrals	X	X	
Donor education	X		
Research/data collection		X	X
Prospect identification		X	X
Ongoing donor relations	X		
Marketing, Communications, Special Events*			
Inclusion of fund name in all Columbia Foundation marketing materials	X		
Initial media announcement of fund	X		
Strategic consulting			X
Review outreach communications developed by donor team		X	
Branding services			X
Content development for marketing communications -- *e.g.*, PowerPoint presentations, ads, Web pages, speeches, brochures, correspondence		X	X
Design or oversee design of marketing collateral		X	X
Special events reservations			X
Respond to requests for information (send marketing materials)		X	
Event support			X
Media relations support, press releases, media inquiries		X	X
Marketing strategic planning, education		X	X

* If donor declines services, must adhere to the Columbia Foundation Marketing Communications Standards (under development).

INFORMATION MANAGEMENT

Another consideration for any host organization is the internal capacity for information and data management. Many larger community foundations have systems, such as Financial Information Management Software (FIMS), to support adequate monitoring and tracking of donations and grants and additional circle activities, such as the identification of prospects. FIMS is a suite of integrated modules united in a single, relational database. The modules work together to support five major task areas: 1) Communications, 2) Fund-raising/Development, 3) Grants Management, 4) Fund Management, and 5) Financial Management. However, the software is expensive and beyond the reach of many smaller organizations.

BCF was able to integrate the BWGC into its existing FIMS database; however, the Columbia Foundation had to create a new database to track the circle's activities. The Columbia Foundation paid for the software and co-created a WGC database with support from circle volunteers; the volunteers help maintain the information. A comprehensive database can be essential to adequately track circle activities and ensure that the host can integrate the donors into its broader array of donor services activities. SVP maintains an extensive database to track and manage all of its activities, including prospective and current partners, various working committees, volunteer opportunities, and media contacts. (Consult "SVP in a Box," available at www.svpseattle.org, for more information.)

OFFICE CONSIDERATIONS

Last, hosting a circle can impact the office management in a number of ways, ranging from file storage (the volume of paperwork associated with responses to a request for proposals can be extraordinary), meeting scheduling and hosting (Does the organization have sufficient meeting space for the circle's members?), to general office needs.

OTHER REFLECTIONS

To date, neither host is at a break-even point financially with the giving circles; both are largely absorbing the costs of the hosting relationship. At BCF, the program officer staffing the BWGC is actively working with committee chairs to transition much of the circle's day-to-day activities to volunteers. This shift in workload will help minimize BCF's contribution of staff time to the circle. Columbia Foundation staff is similarly working with circle members to develop an appropriate balance of duties that reflects the foundation's very limited staff capacity. Without the benefit of a larger endowment, the foundation is unlikely to have the staff resources necessary to provide additional support, particularly programmatic, to the circle.

Although both host organizations have made efforts to integrate the circle members into their donor services activities, neither has actively cultivated additional donations. Staff from both organizations indicated that although they were comfortable engaging circle participants in "low-touch" donor development activities, they were careful not to solicit outright. Once they have developed stronger relationships with this community of donors, additional donor cultivation efforts may be appropriate.

CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

GROWING PHILANTHROPY THROUGH GIVING CIRCLES

The appeal of giving circles is obvious: They engage donors and enable them to leverage their resources, have strong educational and grantmaking components, and bring a social and networking value to members. Participants report that the circles are rewarding on a number of levels, which suggests that this type of giving has the power to introduce and/or further engage individuals on a more robust philanthropic journey. Recent research on SVP's impact on donors suggests that their work

does indeed influence the philanthropic philosophy and practice of members.[12] Further, their research indicates that these donors become not only more strategic but also more generous.

Because both of the circles in our study are still relatively young, we focused our research on the lessons learned from start-up and early grantmaking experiences. The lessons learned have been many— for both circle founders and host organizations. Successful, sustainable circles require significant volunteer leadership and mutually beneficial and reinforcing relationships with the right host. In particular, our research suggests that giving circles are best hosted by foundations with a significant capacity to meet a newly formed circle's resource demands. In the absence of existing capacity, considerable start-up resources should be sought. These resources would serve not only to initiate the circle but also to further the foundation's organizational development.

Across the circles with which BGP has been involved, foundation staff agrees that the circles have brought new faces to philanthropy, significantly enhanced each organization's donor prospect list, and raised each host's visibility levels. But in the short run, the foundations in our study have had a very limited capacity to engage these donors, so the payoff is as yet unrealized. Indeed, one expert suggests that the investment in giving circles is likely to have a "very long, but very substantial" payback.[13] If the early evidence that the circles are indeed growing philanthropy holds true, giving circles may be valuable loss leaders for certain foundations. As quoted in the *Chronicle of Philanthropy*, Phyllis J. Campbell, the Seattle Foundation's President stated "We see SVP as a first step—a sort of Philanthropy 101—with the younger donors. We think as people make giving a habit, they'll move into establishing a larger fund with the Seattle Foundation." SVP's research confirms that the extent and nature of the giving circle experience positively influenced members' philanthropy. Accordingly, host organizations should approach giving circles with a long-term vision for growing their donor base. Future research that explores the impact on donors' long-term giving patterns and the benefits that may accrue to the host is recommended.

[12] "Transforming Philanthropic Transactions: An Evaluation of the First Five Years at Social Venture Partners." Blueprint Research & Design, Inc., 2003. See also "SVP in a Box. SVP: 401 Partner Education," available at www.svpseattle.org.
[13] Collis O. Townsend, personal communication with the authors.

BALTIMORE WOMEN'S GIVING CIRCLE GRANTS

ROUND I	
ORGANIZATION	AMOUNT/PURPOSE
Caroline Center	($5,834.00) to provide books and an instructor for a geriatric nursing assistant training program
Chesapeake Habitat for Humanity	($8,000) support of the All Women's Build Program, which renovates a vacant row house with all women volunteers
Eden Jobs	($5,000) to provide a financial literacy class for women enrolled in Eden Jobs' $mart Money Savings Club, a money management and counseling program
Housing Authority of Baltimore City	($5,000) to support training in childcare and nursing home care for HABC residents.
INNTerim House	($5,000) to help pay for a case manager for this Baltimore County transitional housing program
Legal Aid Bureau	($5,000) to help elderly gain access to Medicaid waiver slots for geriatric or in-home care
Lighthouse, Inc.	($4,000) to provide three full-day retreats for girls ages 11-18
Maryland Volunteer Lawyer Service	($5,000) for Project Money Wise, which helps area residents gain economic self-sufficiency through education and counseling
People's Homesteading Group	($4,500) support of counseling programs for new homeowners in home maintenance and repair, personal budgeting, and community involvement
Women's Housing Coalition	($4,500) to match contributions of low-income women into Individual Development Accounts (IDAs)
ROUND II (SPRING 2003)	
AIDS Interfaith Residential Housing, Inc.	($5,000) Family Enrichment Program-provide cultural, recreational, and training services to AIRS clients and families
CCBC Catonsville	($6,300) Project Second Start, New Opportunities Internship Program-provides academic, vocational, and social support services to low-income and/or low-skilled women
Damascus & Herring Run Career Centers-Associated Catholic Charities	($15,000) Forklift Safety Training program-advanced warehouse training in forklift operations; increase pay by $2-3/hr and expand job opportunties
Hampden Family Center	($11,420) Family-to-Family-support for part-time crisis case manager
Maryland New Directions, Inc.	($10,000) Second Chance program-career preparation training for female ex-offenders
My Sister's Circle	($13,000)-General operating support and support for mentor training
Newborn Holistic Ministries	($15,000) Martha's Place in house treatment and recovery program for women in Sandtown Winchester area-general operating
Open Doors Career Center, Inc	($10,000) Women's Employment Program-provides services to displaced homemakers and single parents to assist in removing barriers to getting and maintaining employment
Paul's Place, Inc.	($5,000) Women's Support Center-support expansion and development of current program
YMCA of Central Maryland	($10,000) Raising Strong Sisters-after-school program for girls at Lombard Middle School; with educational, social, and emotional focus

Revised February 26, 2003

Bylaws
The Women's Giving Circle of Howard County

1.   MISSION/PURPOSE

The Women's Giving Circle of Howard County ("The Circle") will create a permanent endowment fund, provide grants to institutions and initiatives that address the needs of women and girls in Howard County, MD, and build a community of women philanthropists.
.

2.   THE GOALS OF THE WOMEN'S GIVING CIRCLE

(a) To increase the life skills of women
(b) To encourage the healthy development and personal authority of young girls
(c) To raise the awareness of gender disparities in our community
(d) To create a permanent endowment fund
(e) To expand philanthropy and increased giving by local women

To support these goals, The Circle solicits funds from local women who support its philanthropic mission and, through their contributions, become participating members of The Circle. The Circle may also solicit funds from other local, regional, national, and international sources.

The Circle provides financial resources to organizations and programs based on specific criteria established by The Circle.

The Circle intends to provide for its future by continually attracting new participating members.

3.   SPONSOR

The Circle is a participating member entity which has established a donor-advised fund with The Columbia Foundation: Howard County's Community Foundation.

4.   NAME

The Women's Giving Circle of Howard County is the official name of the organization.

5.   MEMBERSHIP

Members – Membership shall be open to all people who wish to further the mission and goals of the The Circle through financial support and participation. Payment of a minimum contribution of $100 is required for membership. (Prior to February 2003, $25 was minimum donation.) Donor levels are described in Section 5.01.

Section 5.01.   DONOR CATEGORIES

Diamond: Members who donate/pledge $5,000 or more
Emerald: Members who donate/pledge $2,500–4,999
Sapphire: Members who donate/pledge $1,000–2,499

Ruby: Members who donate $250–999
Amethyst: Members who donate $100–249

Section 5.02.   RESPONSIBILITIES OF MEMBERSHIP

(a) Act on matters submitted by The Guiding Circle for vote at the Annual Meeting.
(b) Participate in the work of the organization by giving advice, suggestions, and direction as requested by The Guiding Circle.
(c) Attend the Annual Meeting to receive and review reports of the year's work.
(d) Encourage participation of individuals and organizations that support the mission and goals of The Circle.
(e) Honor financial commitments made to The Circle's donor advised fund.

Section 5.03.   BENEFITS OF MEMBERSHIP

(a) Participation in an organization of women empowering other women
(b) Input in the organization's annual goals and grant criteria
(c) Invitation to The Circle's annual meeting and other special programs
(d) Networking opportunities with people with shared values
(e) Eligibility for membership in The Guiding Circle and standing committees of The Women's Giving Circle

6.   GOVERNANCE [ORGANIZATION/STRUCTURE]

The Circle is governed by The Guiding Circle, a group of no more than 21 members, selected from within the general membership of The Circle. The Guiding Circle is responsible for The Circle's management and operations. The officers and committee chairpersons, selected from within the Guiding Circle, shall be: Chair, Vice Chair for Financial Development, Vice Chair of Communications, and the Chairs of standing committees including Education, Grants, Membership, Nominating and Promotion.

Section 6.01. Officers

A.   **Chair**
- General supervision of the business of the organization
- Chair of The Guiding Circle meetings, annual meetings and Executive Committee meetings

B.   **Vice Chair for Financial Development**
- Financial reporting
- Donor development
- Relates to Membership Committee
- Representing the Circle to the Columbia Foundation Investment Advisory Committee
- Overall budget development

C.   **Vice Chair of Communications**
- Internal communication
- Minutes of the meetings
- Archivist for the Circle

- Relates to PR/Communications Committee
- External communication
- Publicity and promotion
- Media relations
- Public relations
- Electronic communications

Section 6.01.i. Terms of Office

Officers will serve one-year terms with a maximum of three consecutive terms.

Section 6.01.ii. Nomination, Election and Installation of Officers

Officers will be elected annually by the Guiding Circle and installed at the Annual Meeting in March.

Section 6.02.   Members of The Guiding Circle

Members of The Guiding Circle will be selected from within the general membership of The Circle. The responsibilities of The Guiding Circle are:

(a) Supporting the mission and goals of The Circle through community connections, personal financial support, and new membership development
(b) Attending the regularly scheduled meetings of The Guiding Circle and the Annual Meeting
(c) Participating in at least one of the Standing Committees
(d) Developing and overseeing policies and programs that reflect the organization's mission
(e) Reporting the organization's financial condition and accomplishments annually to the general membership

Section 6.02.i   Meetings of The Guiding Circle

Regular meetings of The Guiding Circle shall be held at least 8 times a year. An annual meeting schedule shall be formulated by the Executive Committee and presented to The Guiding Circle in April.

Absence from three regularly scheduled meetings of The Guiding Circle in a calendar year, for which no acceptable excuse has been submitted to the Executive Committee, shall be considered resignation from The Guiding Circle. After written notification from the Executive Committee has been made to the absent member, the place of such member shall be considered vacant.

Section 6.02.ii.   Terms of Service

The members of the first Guiding Circle and all subsequently chosen members of The Guiding Circle will hold two-year terms, except as specified below in the transition period of the organization.

At the beginning of the third year, March 2003, by personal choice or by lottery, one third of the members of The Guiding Circle will renew their service commitment for one year; one third of the members of The Guiding Circle will renew their service commitment for two years; one third of the members of The Guiding Circle will renew their service commitment for three years.

At the beginning of the fourth year, March 2004, new Guiding Circle members will be voted into their first two-year terms to replace The Guiding Circle members who were renewed for one-year terms. Members shall be voted onto The Guiding Circle by a majority vote of the members of The Guiding Circle. Any member of The Circle is eligible to be a member of The Guiding Circle.

At the beginning of the fifth year, March 2005, new Guiding Circle members will be selected for two-year terms to replace The Guiding Circle members who were renewed for two-year terms.

At the beginning of the sixth year, March 2006, new Guiding Circle members will be selected for two-year terms to replace The Guiding Circle members who were renewed for three-year terms.

Beginning with the fourth year, March 2004, and excluding the original members of The Guiding Circle, whose service requirements are specified above, all new members of The Guiding Circle will serve two-year terms, renewable for one more two-year term. Members of The Guiding Circle may be invited to resume their service after the expiration of their term of membership or their resignation, provided that 12 months have elapsed since they left service.

Section 6.03. Committees

Executive: The Executive Committee is made up of the officers and standing committee chairs and is responsible for the overall functioning of The Circle, such as setting meeting dates and agendas and facilitating communication among committees.

Education: As the research and analysis arm of The Guiding Circle, the Education Committee provides information for The Guiding Circle and the public it serves and is responsible for expanding awareness of grant making opportunities.

Grants: The function of the Grants Committee is to design and implement the grant making process. It determines eligibility criteria, the grant cycle, and grant evaluation. The Grants Committee will solicit proposals to address focus areas that have been recommended by the Education Committee to The Guiding Circle and approved by its members. The Grants Committee will review grant proposals and recommend grant awards to the Guiding Circle for approval.

Membership: The Membership Committee is responsible for the recruitment and retention of members and oversees administrative functions, including database management.

Nominating: The Nominating Committee is responsible for developing an annual slate of Officers and Members of The Guiding Circle. In addition, it recommends candidates to the Executive Committee for vacancies occurring in The Guiding Circle during the current year and administers compliance with terms of service in The Guiding Circle.

Promotion: The Promotion Committee is responsible for external communication, such as media relations and creation of promotional materials. It will promote Circle programs and processes and support public relations activity.

Make-up of Committees:
- Minimum of 5 members
- Tenure of 1 year, effective March anniversary of The Guiding Circle
- Leadership appointed by Executive Committee
- Selection of committee members (from The Guiding Circle and other members of The Circle) made by the Executive Committee

7. ANNUAL MEETING

There shall be an annual meeting in March that will be publicized. All members will be invited to attend the annual meeting.