



# Tips, Tools & Tricks to Navigate Family Philanthropy

THERE'S A LOT TO TAKE IN  
HERE, SO BEFORE YOU TURN  
THE PAGE, ENJOY A LITTLE  
SOMETHING TO HELP!



# TIPS FOR FAMILY PHILANTHROPY AND FAMILY FOUNDATION GOVERNANCE

If giving money away was easy, we would all be philanthropists! This chart outlines some of the items that guide structured family giving. Even if you don't have a family foundation, some of these items may be helpful.

Must Haves	Should Haves	Best Practices
Clearly articulated objects	Set of policies around how assets are invested, how decisions for grants are made, and how reporting is done externally and internally	Set of policies around how in-laws are engaged/on-boarded
Set of bylaws	Set of policies around conflict and risk management	Spend-down policy or sunset clause that is clearly understood by current and future generations
Set of policies governing how decisions are made	Clear policies around how external advisors are to be engaged at the decision making table	Board manual and education for new family members
A process for accepting funding requests	Set of policies for on-boarding the next generation	Training program for NextGen family members on the family philanthropy program
	Granting calendar	Published metrics and process for how charities can successfully apply for funding
	Establish formal discussions on the family's core values that guide the family foundation	Create a seat or two at the table for the next generation to participate in the family foundation discussions
	Policies around how, when and who can go on site visits.	Create an operating budget to provide NextGen with matching discretionary funds that they can use for their own grantmaking
	Review your bylaws to ensure that family members who don't live in the geographic region of the foundation can participate in meetings via teleconferencing	Encourage kids to report to the Board at least once a year on a project or organization they are involved with
		Establish a NextGen board that reports up to the legal structure of the family foundation. This board is a mirror to the family foundation in function, but may have its own mandate and budget.

## TOOLS TO LOOK INTO THE FUTURE

The following list of questions can be used to help guide a conversation at your next family foundation or family council meeting. You might even choose to tackle a couple of these as part of your governance review to make sure that your foundation's governing documents are reflected in the answers.

- ✎ Will my successors want to pursue these objectives? Should I impose a time limit on my foundation? Create a sunset clause?
- ✎ Will what I want to accomplish become obsolete? Is my charitable object broad enough that I can reasonably expect it to remain viable in perpetuity?
- ✎ How well will I have matched funding with purpose?
- ✎ How can I ensure that later generations won't fight over what I was intending to do with my charitable legacy?
- ✎ Am I contributing enough money into the foundation to meet the objectives?
- ✎ Have I created the right investment strategy?
- ✎ If I am setting up a perpetual foundation, what is the staffing size that I need? Should I establish this in my lifetime?
- ✎ Should I set up an emeritus role at the board so that new ideas can rotate in while the older generation is still involved?

## TRICKS TO ENGAGE THE NEXT GENERATION FAMILY LEADERS

Our experience has been that 16 years old is an average age for a seat at the table. You can be setting up younger kids to join the table leading up to 16 and set the voting age for older (i.e. 18 yrs).

- ✎ **Begin at birth!** Provide an age appropriate book for each family member from the Foundation, with a letter, so that there is a personal philanthropic library established for each family member
- ✎ Site visits at family gatherings or special events at family gatherings that expose even the youngest members to different causes
- ✎ Matching programs - encourage individuals within the family to commit personally a dollar amount that will be matched by the foundation
- ✎ Foundation commits to supporting a project in a geographic location where the NextGen has moved to
- ✎ Create a special family award that recognizes the contributions of the younger generation in the community
- ✎ Share your family history by drawing out a multi-generational timeline of events that gets rolled out and added to each year at family gatherings
- ✎ Have the younger kids draw a "map of their community" and discuss what is in their community. What would it look like if things were missing? Who is responsible for making sure these things exist?

# About Us

At Karma & Cents we support family foundations and family enterprises in attaining their social and legacy objectives. We do this in four distinct, yet complementary ways:

## **FACILITATION**

Direct management and facilitation support of family foundation design, implementation, evaluation and ongoing support

## **PLANNING**

Succession planning and transition management support for family-owned businesses

## **DOCUMENTATION**

Legacy videos and family story archiving

## **SOCIAL IMPACT LAB**

Rapid prototyping solutions geared toward generating social and financial impact for communities, the foundations, the business and the individuals within the organization and/or family.

## **A FRESH LOOK AT PHILANTHROPY**

Since the early 1600's North American's have been "doing philanthropy" the same way and yet we still haven't solved some of these complex problems.

At Karma & Cents™ we believe that family and corporate dollars can be put to better use by financing solutions instead of funding problems. It is our approach that goes to the heart of the issue – our clients want to actually see, feel and know that what they are doing in the world is going to make a difference.

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