

4 KEY TAKEAWAYS

# Strategic Giving in Times of Crisis



**F**rom floods in Colorado to geopolitical situations and public health emergencies, we may unfortunately see no shortage of crises, and communities recovering from them, going forward. Of course, disasters can strike without much warning in any season and leave in their wake suffering that requires significant resources. But each of these crises comes with its own set of complexities that can make it challenging for philanthropists to determine the best way to provide support.

**Foundation Source recently hosted a roundtable discussion to examine how philanthropists can maximize the impact of their donations and take a strategic approach to giving in times of crisis.** Joining us were **Zack Rosenberg, co-founder of SBP**, a social impact organization focused on disaster resilience and recovery; **William McNulty, head of mission at Operation White Stork**, a humanitarian organization on the frontlines in Ukraine, **and co-founder of Team Rubicon**, a nonprofit that utilizes the skills and experiences of military veterans and first responders to deploy emergency response teams rapidly; and **Jeffrey Haskell, our chief legal officer.**

**Here are four key takeaways from the panel that philanthropists can keep in mind when giving in the wake of a crisis.**



## Recognize That Disaster is Different /

The approach to disaster philanthropy is inherently different from other charitable giving, and so donors need to think about both the emergency and the long-term recovery of a region and its people.

When it comes to finding organizations to fund in the immediate aftermath, funders may need to be more flexible in their vetting process. Traditional metrics, such as Charity Navigator's vetting and screening process, may not show the true potential of entrepreneurial organizations that are ready to do the work even if they don't have the track record of success. In such instances, funders might take a closer look at their mission, and their plan to achieve their goals. Another important factor is the organization's leadership. If they have applicable (if not direct experience), that could be an indicator of future success.

While funding unknown charities may require taking a bit larger risk than philanthropists might be used to, it may also be the best way to quickly move the needle on recovery.



## Consider Individual Grants /

Philanthropists with private foundations may grant directly to individuals in times of need. Going this route gives the foundation more control over who gets the grant (rather than relying on a charity to make the determination), and it allows the money to make an immediate difference in the life of a person or family who needs it. While some individual grants require advance approval from the IRS, this is not the case for disaster relief or hardship assistance. Keep in mind that the IRS does, in this case, require that philanthropists choose grant recipients from an open-ended group of individuals after an assessment of their need.

That said, it's also important for charities and foundations to understand when their short-term relief transitions into longer-term financial support. While there's no bright-line rule delineating the difference, the typical view is that short-term assistance means providing enough to enable the recipient to take care of their basic needs for at least four to six weeks.

It's crucial to recognize the transition because the IRS rules change when it comes to longer-term assistance. In that case, the foundation would have to conduct a financial need assessment before dispersing aid, to show that recipients are unable to provide for their basic needs on their own. For both short- and long-term assistance, the larger the grant, the more due diligence the foundation must conduct.



## Run the Charity Like a Business /

To be really effective, especially in a disaster, charities must run their organization like a business, including drawing on aspects of proven business methods like Hewlett Packard's Good to Great or Toyota's famed Production System. As in business, it's inefficient to duplicate efforts. So, by working with other people or organizations with different skills, abilities, or resources, charities can stretch donor dollars further and make a bigger impact. In a disaster, successful charities have a ruthless, laser-focus on outcomes, and the nimbleness to adapt to quickly changing circumstances.

Also, like a business, charities must have the appropriate accounting controls in place. Not only does this allow for a more efficient organization, but such processes can also show donors that the charity is running the organization with proven and standardized methods that can lead to better transparency and impact. Emerging charities might also start looking for ways to scale their activities, in order to help as many individuals or communities as possible, once they've landed on an aid delivery model that works.



## Be Patient and Understand the Full Disaster Cycle /

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Media attention moves on from an initial crisis quickly, and both potential donors and the general public may tire of hearing about a crisis while a need still exists. Meanwhile, concerned citizens tend to give in the early days, but that inclination doesn't sustain the impact across the entire cycle. To truly make a difference, charities and their funders must think about how to rebuild the community in a more resilient way—and that requires a longer-term view.

A charity involved in rebuilding houses after a natural disaster, for example, will focus on construction that withstands future perils, even if doing so costs a little bit more. That's particularly important in disadvantaged communities that may have been more susceptible to destruction from disaster. In Ukraine, early coverage brought lots of interest from around the world, but now that the conflict has continued for more than five months, many people have turned their attention to other crises and emerging situations. Meanwhile, the issues and needs of the people in Ukraine continue to evolve.

Charities that recognize the significance of building resilience into every stage of recovery can help those communities be better prepared when the next unexpected situation occurs. And that readiness minimizes the need for future disaster assistance.

**To learn more about these key takeaways and other important insights, [check out the full roundtable discussion.](#)**

### HAVE A QUESTION?

Call 800.839.0054 or send us an email at [info@foundationsource.com](mailto:info@foundationsource.com).

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