



# Trust-Based Philanthropy: A Primer

**Trust-Based Philanthropy offers a new way of looking at traditional funder-grantee relationships.** It recognizes the unique—yet equally valuable—contributions of grantmakers and grantseekers. It envisions a world where funders authentically partner with grantees to advance mission-driven work, prioritizing dialogue and shared learning over top-down accountability. At its core, Trust-Based Philanthropy seeks to build a thriving, more equitable nonprofit sector by lifting barriers that prevent nonprofits from focusing their time and talents on the work that matters.

**A trust-based approach relies on six key pillars of practice:**

- Multi-year, unrestricted funding
- Do the homework
- Simplify and streamline paperwork
- Transparent and responsive communication
- Solicit and act on feedback
- Support beyond the check

## 1 Multi-Year, Unrestricted Funding

**MAIN IDEA** Unrestricted funding over time is essential for creating healthy, adaptive, effective organizations.

PRACTICES & CONSIDERATIONS	BENEFITS
<ul style="list-style-type: none"><li>• Make commitments for more than one year</li><li>• Trust that nonprofits know best how to spend grant money</li></ul>	<ul style="list-style-type: none"><li>• Supports the stability of grantee organizations and reduces stress on EDs</li><li>• Encourages risk taking, creativity, innovation, and emergent action instead of sticking to proposal outcomes that may become outdated</li><li>• Supports grantees’ long-term planning by allowing them to project resources and make strategic investments to meet emerging needs</li></ul>

**FAQ** **With unrestricted grants, how can a funder be sure grantees will spend the money wisely?** Trust-Based Philanthropy recognizes that grantee partners are best positioned to determine how to make use of their grant money, since they are the ones actually doing the work, with firsthand knowledge of what they need to get the job done.



## 2 Do the Homework

**MAIN IDEA** Before entering into a grantmaking relationship, the onus of due diligence should be on the grantmaker, not the grantseeker.

### PRACTICES & CONSIDERATIONS

- Approach your work with the understanding that it's your job to get to know prospective grantees
- Establish clear internal criteria for the types of organizations you want to support
- Use available public records to understand a prospective grantee's purpose, strategies, programs, leadership, and financial standing
- Learn about prospective grantees by asking around your networks for shared connections

### BENEFITS

- Funders are more likely to identify grantees that are aligned with their mission and values
- Saves unnecessary paperwork and back-and-forth in early vetting stages
- Paves the way for a more trusting and rewarding relationship with grantees
- Leaves prospective grantees more time to focus on their work

**FAQ** **How do you ensure that you aren't just funding those who you have "chemistry" with?** Establishing clear, defined criteria at the outset can help guide mission-aligned decision-making. It is also important to make sure your vetting processes include diverse perspectives—among your referral sources as well as the staff who are doing the research—to allow for greater exposure to groups you may not come across otherwise.

## 3 Simplify & Streamline Paperwork

**MAIN IDEA** Nonprofit staff spend an inordinate amount of time on funder-driven paperwork; they will be more effective if they are freed up to concentrate on mission.

### PRACTICES & CONSIDERATIONS

- Accept proposals and reports written for other funders
- Before inviting a full proposal, use a screening process (such as a short LOI) that can help determine whether funding is likely
- Consider taking a conversational approach to learning about grantees' work, via phone calls or in-person meetings
- Compensate prospective grantees for their time preparing a proposal

### BENEFITS

- Less time spent on paperwork, and more time for genuine learning and conversation with grantees
- Allows for deeper, more interactive relationships with grantees

**FAQ** **How do you ensure accountability—and measure impact—with limited paperwork?** When discussions around impact are housed within a relationship based on learning, this inherently builds greater accountability on both sides. By understanding a grantee's self-defined measures of success, and engaging in dialogue about how these measures are evolving over time, you will actually have more substantive learnings than you would in a standard report.

## 4 Transparent & Responsive Communication

**MAIN IDEA** Open, honest, and transparent communication minimizes power imbalances and helps move the work forward.

### PRACTICES & CONSIDERATIONS

- Be clear up front about what you do and don't fund, and let potential applicants know if meeting is not a good use of their time
- Give grantees ample notice if you are making any changes that will affect their funding
- Invite grantees to share their challenges
- Be open and honest about your own organizational struggles, questions, and thought processes
- Respond to emails and calls in a timely manner

### BENEFITS

- Creates conditions for a more honest funder-grantee relationship
- Acknowledges power dynamics with the intention of creating a more balanced relationship
- Fosters a better understanding of grantees, their work, and their challenges
- Offers insight that can help funders be more effective in supporting grantees

**FAQ** **What if you learn something about a grantee that makes you want to rethink your support for them?** If it is a serious concern, you will be in a better position to talk with them about it, explore solutions, and ultimately decide whether you can continue to work together or not. It is more productive to approach the conversation proactively, rather than reactively.

## 5 Solicit & Act on Feedback

**MAIN IDEA** Grantees provide valuable perspective that can help inform a funder's support and services.

### PRACTICES & CONSIDERATIONS

- Anonymously survey grantees (or find ways to ask them conversationally) about your practices as a funder
- Before making major changes or updates, glean grantee feedback to inform those changes
- Inform grantees on how their input was used (or not) to inform your decision(s), and why

### BENEFITS

- Offers insight that can help funders better serve grantees
- Encourages mutual trust and authenticity
- Improves funder practices and policies, with the potential to provide learning for the field of philanthropy

**FAQ** **How can we respond to feedback when most grantees don't fully understand the context of what we're dealing with as funders and foundations leaders?** Soliciting and acting on feedback does not mean you have to satisfy every suggestion you get. The goal is to listen to your grantees, trust that they know their experience better than you do, and listen for general themes that can improve your interactions with grantees overall.

## 6 Support Beyond the Check

**MAIN IDEA** Responsive, adaptive non-monetary support can help foster healthier organizations by bolstering leadership and capacity.

### PRACTICES & CONSIDERATIONS

- Introduce grantees to other funders and like-minded organizations (especially important if grantees are cycling off of funding)
- Serve as a sounding board or provide counsel to grantee partners, as requested
- Highlight grantees' work in your newsletter, on your website, on webinars, and/or during conference presentations
- Provide spaces for reflection, learning, and connection
- Build and nurture peer learning networks
- Host restorative retreats geared toward inspiration and renewal

### BENEFITS

- Helps build the capacity and strength of leaders and organizations over time
- Fosters a deeper sense of connection to grantees and their work
- Creates opportunities to learn more about grantees' work and organizational context

**FAQ** **How do you find the time to provide this kind of support?** In trust-based philanthropy, the role of the program officer or director is conceptualized as a learning role, so providing this type of support part and parcel of a trust-based framework. If your institution is able to embrace other pillars of trust-based philanthropy—especially unrestricted funding and simplified paperwork—it will free up more time to offer grantees support beyond the check.



The Trust-Based Philanthropy Network is a decentralized, self-organizing community of funders who are committed to modeling and advocating for trust-based grantmaking practices that contribute to a healthier nonprofit sector and thriving, vibrant civil society. We believe that achieving equity requires trust, dialogue, relationship-building, critical thinking and humility, and that funders play an influential role in advancing these values throughout the nonprofit sector. Learn more at [www.trustbasedphilanthropy.org](http://www.trustbasedphilanthropy.org).