

Managing risk and due diligence in a disaster context



Photo: SJ Objio on Unsplash

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CENTER FOR DISASTER PHILANTHROPY



Jennifer Commander

Chief Financial Officer
Center for Disaster Philanthropy
[@funds4disaster](https://www.funds4disaster.org)



[@funds4disaster](https://www.funds4disaster.org)

[#CDP4Recovery](https://www.funds4disaster.org)





HOW TO PARTICIPATE

Submit questions.

Use Q & A box at the bottom of your screen.

Use #CDP4Recovery to tweet along.

Follow CDP: @funds4disaster

Complete the survey.

The link will open as you exit the webinar.

Look for the fully captioned webinar recording and summary at disasterphilanthropy.org.

Live captioning is available now via Zoom. Click on Closed Caption/Live Transcript to access it.

Photo: [GER3](#)

Thank you to our co-sponsors:



Land Acknowledgment

“Acknowledgment is a simple, powerful way of showing respect and a step toward correcting the stories and practices that erase Indigenous people’s history and culture and toward inviting and honoring the truth.”

<https://usdac.us/nativeland>

CDP’s Land Acknowledgment is inspired by Dawn Knickerbocker, Native Americans in Philanthropy.

GOALS

At the end of the webinar, funders will:

- Be aware of how a typical grantmaking process may create systemic barriers and bottlenecks for communities of color and learn about examples to reduce them.
- Understand the different requirements for due diligence and expenditure responsibility processes.
- Discover opportunities to accept more risks and disrupt traditional models of grantmaking that exist within their organization.



Photo: [Habitat for Humanity](#)

Speakers

Thank you to our guests for joining us today.

#CDP4Recovery



Remy Barnwell

Staff Counsel

Council on Foundations

[@COF](#)



Katrina Julien

Senior Program Officer

Community Foundation for
Greater Atlanta

[@philanthropyATL](#)



Audrey Kidwell

Grants Manager

Center for Disaster Philanthropy

[@funds4disaster](#)

Remy Barnwell

Staff Counsel
Council on Foundations

[@COF](#)



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The Council on Foundations: Supporting a community with a commitment to advancing the greater good.

Membership Types: Community Foundations, Private Grantmakers, Corporate Grantmakers, Grantmaking Public Charities, Non-US & Tribal Grantmakers, & Non-Grantmakers

Resources: Annual Grantmaker Salary and Benefits Report, Disaster Grantmaking and Response to Specific Disasters, Values-Aligned Philanthropy Toolkit, Compendium of Legal Resources, Sample Legal Documents, Peer Communities via PhilEx,, Advocacy & Lobbying Resources, access to me and my colleague Ben for on-demand legal questions, and more



Due-diligence vs. Expenditure Responsibility



Expenditure Responsibility (IRC § 4945(h))

Federally mandated procedure that a private foundation—and some public charities—must follow for any grant made to an organization that is not a public charity.

*Public charities only need to be concerned with expenditure responsibility if they are the sponsor of a donor-advised fund that wishes to grant to a non-charity.

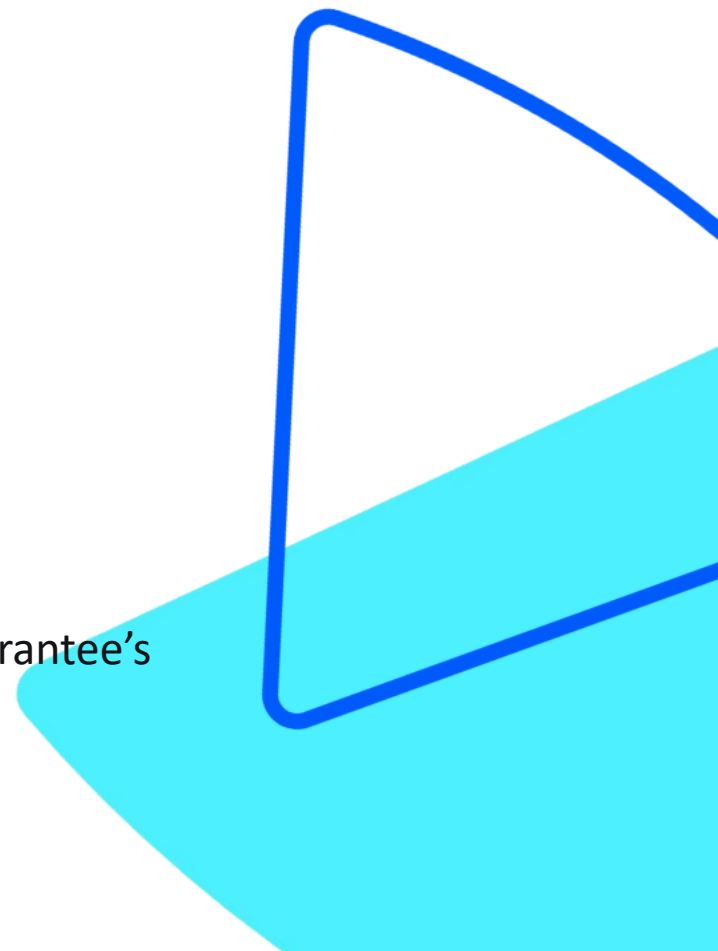
Five basic steps:

- Pre-grant Inquiry
- Written Agreement
- Separate Account
- Regular Reports
- Report to IRS on Tax Return (for private foundations)

Due Diligence

Think of this as Expenditure Responsibility—LITE

No pre-determined steps or procedures, but generally involves verification of potential grantee's tax-status and consideration of potential impact on the community

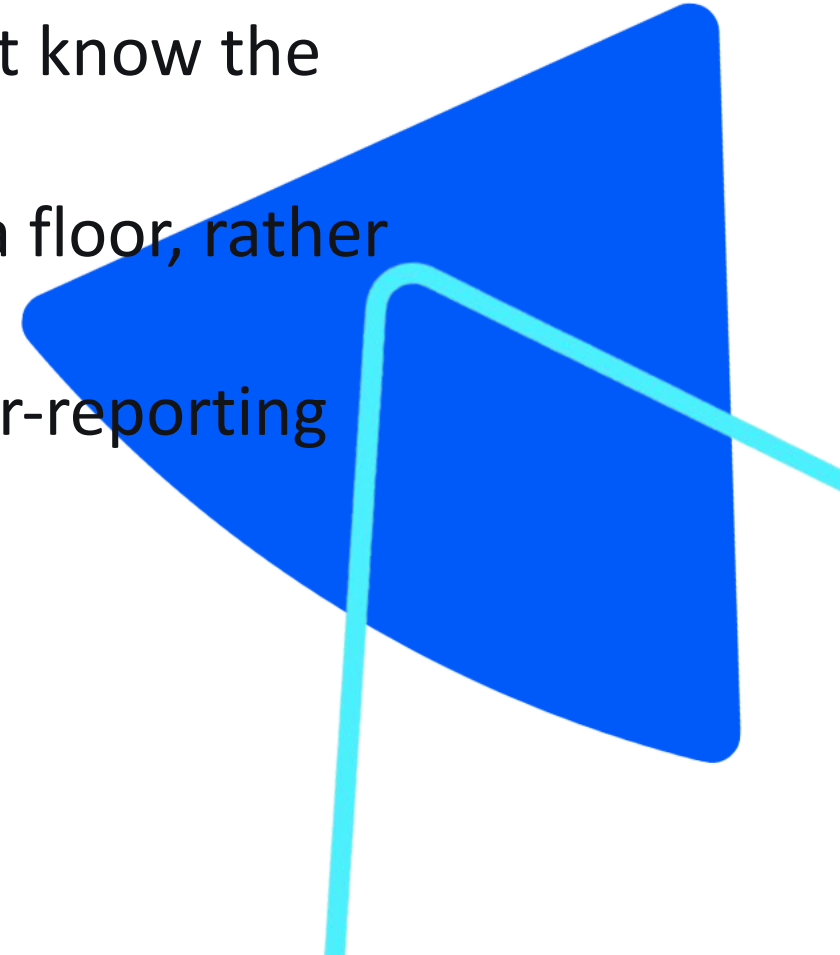


Funding Quickly in Times of Disaster



Guidelines

- Grant to public charities, especially those near the disaster (think: community foundations—organizations that know the community and are well-suited to serve it)
- Consider the requirements imposed by the IRS as a floor, rather than a ceiling
- Err on the side of over-reporting, rather than under-reporting



Audrey Kidwell

Grants Manager

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CDP Grantmaking

- Change Management 2022
 - [Center for Effective Philanthropy \(CEP\) survey.](#)
 - Desire to embed our values, localization, and Racial and Intersectional Equity (RIE) principles in our grantmaking work.
- Goals
 - Embed RIE principles across our grantmaking practices, processes and forms.
 - Review grantmaking practices through a localization lens and consider improvements that would strike a better power balance and more equitable partnership with our grantee partners.
 - Consider changes to our processes/practices that can move the needle more towards best practices, trust-based philanthropy practices, while balancing this with other grantmaking needs.
- Resources
 - [Trust-Based Philanthropy](#)
 - [Peak Grantmaking](#)
 - [Arabella Advisors](#)



Photo: [@BOM_au](#) by Lee Hartshorne

Process Flow

Recovery

Disaster recovery happens after damages have been assessed and involves actions to return the affected community to its pre-disaster state or better – and ideally, to make it less vulnerable to future risk.

Grantee Partner Accommodations

Meet the grantee partners where they are:

- Alternative applications
- Flexible application period
- Limited administrative burden

Transparency is Key

Sharing copies of application, budget template and due diligence documents ahead of application.

Grant Year Timeline

Katrina Julien

Senior Program Officer

Community Foundation of Greater Atlanta

[@philanthropyATL](https://twitter.com/philanthropyATL)



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TogetherATL

To create a more equitable metro Atlanta region across race and socioeconomic factors through systems change, co-investment, and organizational growth.

Centering people and place in our philanthropic and collaborative efforts we will use a racial equity lens and center community through four systems: **Housing & Neighborhoods, Income & Wealth, Power & Leadership, and Arts, Culture, & Creative Enterprises.**

TogetherATL will align this systems work with the Foundation's place-based strategy and invest in systemic approaches that center community voice in policy and advocacy, support place-based philanthropy, lead co-investment and support the case for organizational growth.





Creating Avenues for Greater Access

- Updated Grant Cycle Guidelines
- Held listening sessions with nonprofit partners
- Clarified language
- Right-sizing financial requirements
- Adjusted/clarified staffing requirements





Photo: Anes Sabitovic via Unsplash

Grantmaking in Blue Skies

Pre Check

CDP completes due diligence on response, recovery or humanitarian organizations ahead of a disaster to help us assess their potential for receiving a grant from CDP or other funders.

Our process includes reviewing each organization’s mission, programs, governance structure and financial stability.

Shoe Leather Philanthropy

The practice of site visits to a disaster-affected area to inform philanthropic giving.

One of the best tools CDP has to effectively allocate dollars for medium- and long-term recovery.

Change Management 2022

Taking a deep dive into CDP’s grantmaking



Activating Community Voice

Whole Families, Whole Neighborhoods:
Community-centered and resident-led



Q&A

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NEXT STEPS AND ACTIONS

As little as possible, as much as necessary.

Ask yourself what the value is.

Seek feedback from your grantees.

Expert Resources



Disaster Philanthropy Playbook



Website

- Blogs, Issue Insights, Disaster Profiles, Weekly Disaster Updates



Webinars



Special Reports

- Measuring the State of Disaster Philanthropy
- COVID-19 and Philanthropy
- U.S. Household Disaster Giving Report



CDP Staff

- Speaking engagements, Analyses, Opinion Pieces, Consulting Services



disasterphilanthropy.org



UPCOMING 2023 WEBINARS

Save the Dates:

- **Thursday, Jan. 12**
- **Thursday, Feb. 9**
- **Thursday, March 9**

**Second Thursday of the month
throughout 2023 at 2 p.m. ET**

Thank You

For additional information, contact:

Tanya Gulliver-Garcia

Tanya.Gulliver-Garcia@disasterphilanthropy.org

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@FUNDS4DISASTER

