



## Putting Leverage to Good Use -

# Philanthropy

Wealthy families often utilize charitable endeavors as a way to further establish their legacy, and therefore constantly look for creative strategies to help them meet their philanthropic goals. Leveraged philanthropy was born out of the desire for donors' contributions to work for the charity that they support, typically involving terms that must be met in order to receive the donations, and the terms generally being actions that will be helpful to the recipient organization as well as their charitable purpose. One popular method of leveraged philanthropy is monetary matching, whereby certain parameters, typically resembling an agreed-upon commitment to match the total or a portion of other donations made, are set in order to increase the value of the total contribution. Working with their advisors, donors have also developed benchmarks beyond monetary matching, aimed to improve the organization and help it become self-sustaining.

The donor's advisors can assist throughout this process, working with the donor and the receiving organization to help develop and implement the grant programs. They can outline the grant provisions to establish performance benchmarks to be achieved by the recipient organization. These benchmarks aim to improve the recipient organization's performance in selected areas.

In one such initiative, a donor offered a monetary contribution to an organization that works to prevent the extinction of animals around the world. The parameters of the donation requested that this organization improves its international fundraising. The leveraged incentive established by the benefactor and the donor helped the company successfully expand its donor base. After a successful global fundraising campaign, benefactors from other countries continue to contribute to the organization and the organization has changed from a U.S. centric to an internationally renowned NGO.

In another successful improvement effort, a donor contributed to Catholic elementary schools. The benefactor worked with the donor's advisors to develop and implement a plan for raising funds from alumni, as the school systems had not previously done so for monetary support. Initially, the donor offered a monetary gift for student scholarships under the request that the school system develop an alumni outreach program. The donor then also funded a third party organization to complete data mining and analysis and compile an alumni database. The plan greatly improved the school systems' fundraising methods by leveraging previously untapped resources and helped create relationships between schools and their alumni. After successful implementation of The Catholic Alumni Partnership in an initial group of schools, the program is now expanding nationwide.

Leveraged philanthropy can exponentially improve an organization's performance and help make it self-sustaining. The efforts the organization makes to achieve the goals established in the guidelines, together with the donor's monetary gift, contribute to the organization's future sustainability. Ultimately, the leveraged philanthropic approach can greatly increase the value of monetary contributions to an organization.

For more information and guidance on utilizing this or other philanthropic strategies, contact your Anchin Relationship Partner or Gary Castle, a tax principal in Anchin Private Client, at 212.840.3456 or info@anchin.com.



**Ehud "Udi" Sadan, CPA, CGMA**  
Leader  
ehud.sadan@anchin.com



**Jared Feldman, CPA**  
Leader  
jared.feldman@anchin.com

**1375 Broadway, New York, NY 10018 • 212.840.3456 • [www.anchinprivateclient.com](http://www.anchinprivateclient.com)**

Anchin Private Client Copyright © 2017

This contains information which is general in nature and based on sources which are believed to be authoritative. Specific applications would require consideration of all facts and circumstances by qualified professionals familiar with a taxpayer and therefore we are not liable for the application of any information contained herein. No part of this correspondence may be reproduced or utilized in any form or by any means without written permission from Anchin Private Client.