

Giving in the Time of COVID-19: How Foundations and Donor-Advised Funds Can Respond

By Page Snow

The global coronavirus pandemic is a crisis unlike any in recent memory. Here in the U.S., if fatalities reach 200,000, as currently projected by government immunologist Dr. Anthony Fauci, we will have lost more than two times the number of Americans killed in the Vietnam War and WWI *combined*. And if coupled with months of shuttered businesses, the lost jobs and mounting debt will damage countless lives and shatter thousands of families.

In the face of these immense challenges, how should those with private foundations and donor-advised funds respond?

First and foremost, we must collectively acknowledge the rapid tectonic shift beneath our feet. The carefully considered decisions we made just weeks ago about how much to distribute, what to fund, and how to move forward may suddenly seem out of step with current events. The world has changed, and donors may find themselves forced to change their plans along with it.

Supporting Current Grantees

For now, your first priority might be nonprofits you've previously funded. Consider checking in with them to see how they're faring. Has the crisis altered their organization? Can they continue to serve the same constituents and communities? Administer the same programs? Achieve the same results? What do they need from you and/or other donors? Are there things other than money that you could provide?

Aside from this check-in, here are some suggestions for re-evaluating, reframing, and reconfiguring your support for current charitable beneficiaries:

- Extend current funding: Consider funding nonprofits for another year or so in recognition that financial stability is critical.
- Offer untied funding: Loosen restrictions or change payment schedules on your current gifts, and make any new donations as unrestricted as possible. Consider converting project grants to general operating support.
- Simplify reporting: Lower or remove reporting requirements to help reduce the administrative burden so your grantees can focus on more pressing issues.

- Invest in capacity building: Consider providing funds for infrastructure development or professional support to help organizations meet current needs, such as software consultants to support work-from-home staff or financial expertise to address liquidity issues.

New Organizations: Alleviating the Hardship of COVID-19

If you'd like to combat coronavirus and aid the victims of COVID-19, you have multiple options to consider. Here are some of the ways you can help:

- Act locally: Fund regional relief organizations addressing coronavirus needs. [Giving Compass](#) has a vetted list of local relief organizations.
- Provide direct support to those who need it most: if you have a private foundation, you can make grants directly to individuals and families for emergencies, such as the current crisis, and you don't need to seek prior approval from the IRS. This capability enables those with foundations to help people to keep food on the table, pay bills, and stay in their homes.
- Prioritize frontline workers and the most vulnerable: Fund childcare and other support services for essential workers, such as supermarket cashiers and healthcare providers, as well as seniors, the homeless, and other vulnerable groups in your community.
- Fund emergent needs: The pandemic has shone a bright light on a host of systemic problems. Therefore, in addition to funding some of the obvious, urgent needs, such as vaccine development, consider supporting long-term change, such as investments in public health, paid leave and other protections for workers, food insecurity, broadband access for low-income families, and stronger protections for residential tenants.
- Consider debt relief: As bills pile up for millions of out-of-work Americans, erasing onerous medical or student debt can be as powerful an intervention as donating funds, and it can be very cost-efficient for the donor. For example, because medical debt is often sold to collection companies or debt-buying companies for pennies on the dollar, a charity can convert a \$100 donation into \$10,000 worth of debt relief.
- Make program-related investments (PRIs): As long as it's for a charitable purpose, private foundations can make loans, loan guarantees, and equity investments to both nonprofit and for-profit companies alike. PRI loans, which count toward the foundation's 5% minimum distribution requirement, can be used to help companies gear up to make face masks or fund the construction of field hospitals and emergency shelters.

During these challenging times, those with private foundations and donor-advised funds have an especially vital role to play. Unencumbered by bureaucracy, they can respond quickly to disasters, taking bold action to address needs that are too small or too local to attract the attention of larger funders. We are fortunate that so many of them have joined the fight.

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