

Resources for Funders Ready to Go

When you are ready to start planning your participatory work, go here for sample documents and templates, like budgets and a project outline.

- **Operating Budget Checklist**
- **Participatory Project Outline**
- **Sample Project Scope**
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Operating Budget Checklist

Each participatory philanthropy program is unique, but this checklist will give you a general idea of what to consider when planning your operating budget. Not all of these items are necessary for every participatory process, but it's important to secure adequate support for the things your organization will need to implement a participatory process. Many of these resources can be covered within your organization's existing structures and operating costs, so may not present as additional costs. Those costs particular to participatory philanthropy have an asterisk (*) next to them.

What to consider when planning your operating budget:

Staffing and management

- ✓ Staff resources or consultant fees for planning, design, project management
- ✓ Equity, Diversity, and Inclusion consultants or staff expertise in this area
- ✓ Legal and/or HR consultants/staff to provide support and help manage risks
- ✓ Finance/Operations consultants/staff (software tools, travel, payments, etc.)
- ✓ Fundraising consultants/staff (raising funds, reporting to donors, etc.)
- ✓ Designers and/or video editors for materials produced
- ✓ Professional translation and/or interpretation
- ✓ Communications resources (especially for reaching larger audiences)
- ✓ Evaluation consultants/staff or an external evaluation firm

Participation

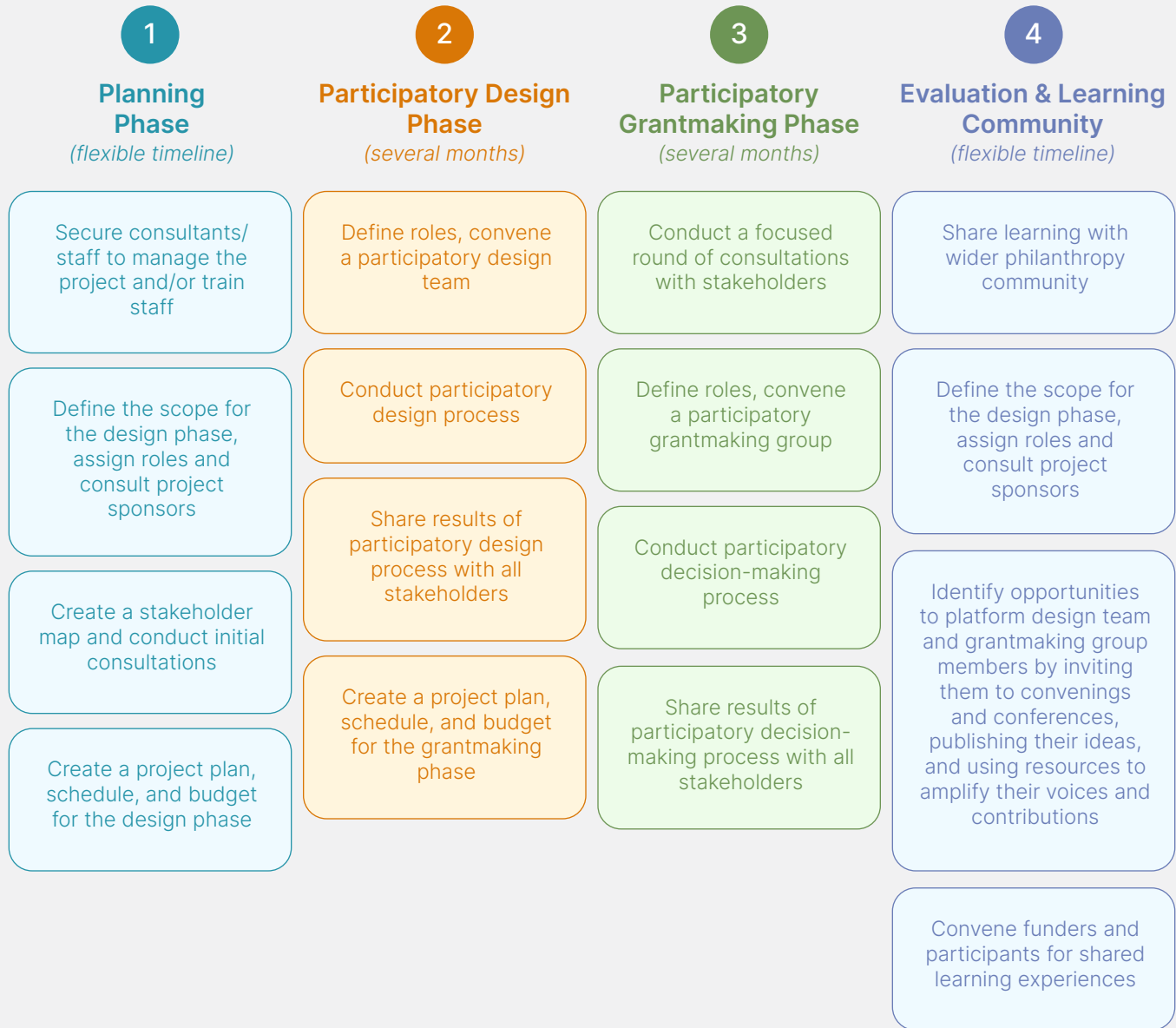
- ✓ Coaching for staff (e.g., on decision-making approaches and tools, facilitation)*
- ✓ Accessibility costs and support (e.g., meeting accommodations or providing equipment or internet to participate)
- ✓ Trainings for participants (e.g., philanthropy, decision making, addressing bias)*
- ✓ Honoraria/payments for stakeholders (consultation phase)*
- ✓ Honoraria/payments for participants (designers or decision makers)*
- ✓ Care packages/support for participants (sickness, hardship, etc.) or gifts for participants*

Meeting and convenings

- ✓ Professional facilitators (for meetings/convenings and asynchronous participation)*
- ✓ Celebration expenses (branded merchandise, convenings, gifts, etc.) Travel, food, accommodation and care expenses (for in-person and hybrid gatherings)
- ✓ Meeting expenses for in-person gatherings (venue, activities, equipment, insurance, etc.)*
- ✓ Hybrid meeting support and additional equipment rental fees (for hybrid gatherings)
- ✓ Graphic recorder (for in-person or virtual gatherings)
- ✓ Communications resources (especially for reaching larger audiences)

Participatory Project Outline

While we do not expect that funders will replicate the approach we took for our [Participatory Climate Initiative](#) in full, this outline can help you incorporate participation into your organization and different phases of the philanthropic cycle.



Sample Project Scope

Shared Insight developed this Project Scope for our [Participatory Climate Initiative](#). Below are the initiative's learning goals, requirements, and recommendations – defined by the funders and passed along to our Design Team. Consider what are the required parameters of your funding before opening up decision making to those outside of the foundation.

Learning Goals

The project, focused on climate change, will support funders to deepen their practices in these two areas:

Funding work that involves people in the policy decisions that impact them, with a focus on those least heard and most impacted by those policy decisions.

Participatory grantmaking as a way to elevate beneficiary voices and share power, with a focus on those least heard and most impacted by funding decisions.

Requirements for the project

Requirements are firm decisions that are made by Shared Insight's Advocacy/Policy Change Committee before the participatory design phase. The participatory design team must abide by these requirements.

Grants will fund work in the broad area of climate change policy.

Grants will fund work that involves people in policy decisions that impact them.

The grantmaking process and the design phase will be participatory.

The participatory design team will integrate equity/diversity/inclusion lenses from the beginning of the design phase, and be explicit about including the voices of people most impacted and least heard.

No climate deniers will be involved with the participatory design phase.

Grants will fund work happening only in the U.S. (inclusive of all 50 states, territories, and Washington D.C.). (Note: We are discussing language that will also be inclusive of tribal nations and Native communities that may not be adequately included in this definition.)

Requirements around grantmaking will be defined by our fiscal sponsor. Shared Insight will not add additional requirements that narrow the parameters set by our fiscal sponsor.

Recommendations to design team about the project

Recommendations will be considered by the design team, but they are not requirements. Shared Insight's Advocacy/Policy Change Committee will accept the decision of the design team in these areas, even if they diverge from recommendations.

Design for learning. For example, a focus on a specific geographic area may enable us to more effectively trace results and learn from them.

Consider integrating this work with decision-making tables that already exist and could benefit from more community involvement with policy decisions.

Align the geographic or thematic focus with work that Shared Insight members are already involved in to encourage interest in the results among funder institutions.

Avoid the use of terms like "climate justice" in favor of a "big tent" approach that adopts inclusive language that will not alienate stakeholders.

Consider focusing grants exclusively on Native or Indigenous communities, and take into account the historic exclusion of Native or Indigenous people from advocacy and philanthropy.

Project Roles

While we don't anticipate that all elements of our approach would be fully adopted by another funder, below are the roles, phases of involvement, and engagement levels of our initiative that can help you think about yours.

- **Very light engagement:** less than an average of 2 hours/month during the active phases identified
- **Light engagement:** less than an average of 3 hours/week during the active phases identified
- **Medium engagement:** less than an average of 15 hours/week during the active phases identified
- **Significant engagement:** more than an average of 15 hours/week during the active phases identified

| Fundors | | | |
|---|---|--|-------------|
| ROLE | DESCRIPTION | PHASE INVOLVED | ENGAGEMENT |
| Funders | Contributed to the initiative budget and overall governance of the donor collaborative that housed the initiative; reviewed and approved plans and budgets and each phase of the initiative; participated in learning activities related to the initiative several times throughout the year. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Very light |
| Committee Members | Funders who sat on Shared Insight's Advocacy/Policy Committee that initiated this work; played an active role during the planning phase; participated in learning activities related to the initiative about every other month; responsible for bringing learning back to their home organizations. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Very light |
| Committee Co-Chairs | Members of Shared Insight's Advocacy/Policy Committee who were more active and involved with planning this work; met regularly with the project sponsor and project managers throughout the initiative to offer feedback and guidance. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Light |
| Funder Representatives | One funder representative joined the Design Team as liaison with Shared Insight's funder committee; two funder representatives joined the Grantmaking Group. The funder representatives participated as observers and were charged with bringing their observations and learning back to the funder committee and beyond. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking | Medium |
| Project managers and support and support team | | | |
| ROLE | DESCRIPTION | PHASE INVOLVED | ENGAGEMENT |
| Project Sponsor | The managing director of Fund for Shared Insight was responsible for hiring the Consultants and supervising the project under the direction of the Advocacy/Policy Committee. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Medium |
| Support Team | Support from Fund for Shared Insight and Rockefeller Philanthropy Advisors' team of staff and contractors included grants administration, disbursing payments, communications, design, equity/diversity/inclusion support, logistics, and more. | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Medium |
| Facilitators & project managers | The project managers planned and implemented each phase of the initiative under the direction of the project sponsor. Consultants with expertise in participatory philanthropy and group work served as facilitators and project managers. They were responsible for supporting the Design Team, Grantmaking Group, and Learning Community meetings and asynchronous collaboration. (These roles could be separated.) | <ul style="list-style-type: none"> • Planning • Design • Grantmaking • Implementation & Learning | Significant |

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Project Roles *(continued)*

- **Very light engagement:** less than an average of 2 hours/month during the active phases identified
- **Light engagement:** less than an average of 3 hours/week during the active phases identified
- **Medium engagement:** less than an average of 15 hours/week during the active phases identified
- **Significant engagement:** more than an average of 15 hours/week during the active phases identified

| Community members | | | |
|---------------------------|---|--|------------|
| ROLE | DESCRIPTION | PHASE INVOLVED | ENGAGEMENT |
| Stakeholders Consulted | Stakeholders participated in 30-to-60-minute phone/video calls during the Planning and Design Phases. Stakeholders had experience with issues on climate and environment, philanthropic funding flows locally, and community leadership efforts. | <ul style="list-style-type: none"> • Planning • Design | Very light |
| Partner Selectors | 12 partner organizations deeply embedded in regional work at the intersection of climate/environment and advocacy/policy were invited to select someone from their community to join the Design Team. | <ul style="list-style-type: none"> • Design | Light |
| Design Team Members | 12 Design Team members with strong connections to their region and climate/environment issues considered key design questions and created a purpose statement for the fund; 11 members continued their engagement during the Grantmaking Phase; several joined the Grantmaking Group. | <ul style="list-style-type: none"> • Design • Grantmaking | Medium |
| Nominators | Stakeholders with specific expertise were invited to nominate groups for funding that met the criteria created by the Design Team. | <ul style="list-style-type: none"> • Grantmaking | Very light |
| Grantmaking Group members | 14 Grantmaking Group members (seven from each region) made decisions about how \$1 million would be distributed in each region; they also communicated funding decisions; some joined the Learning Community. | <ul style="list-style-type: none"> • Grantmaking • Implementation & Learning | Medium |
| Grantees | 35 groups/organizations participated in the application process and received grants; some joined the Learning Community. | <ul style="list-style-type: none"> • Grantmaking • Implementation & Learning | Light |
| Learning Community | Mix of Design Team, Grantmaking Group members, and funders who are interested in exploring the productive tensions in philanthropy; convened once a quarter or so to discuss these issues with an optional in-person gathering. | <ul style="list-style-type: none"> • Learning | Light |

Participant Compensation

Compensating participants fairly and generously for their time and lived experience should be standard practice. Below are resources to help you handle common issues, identify good practices, consider the appropriate financial and legal issues, and reflect on the tangible and non-tangible benefits of compensation.

A note on paying participants from authors Katy Love and Winifred Olliff

When we began our work as participatory philanthropy practitioners 15 years ago, it was rare for funders to pay participants for their contributions to participatory processes. We are encouraged that over the past several years, as more funders begin to center equity in their work, their practices around compensation have changed and grown. And as the sector continues to embrace participatory approaches that include people impacted by the work of philanthropy, we would like to see equitable compensation for participants become the norm.

Compensating participants equitably benefits not only participants, but also funders. It may help funders live up to their equity and inclusion principles. Because it reduces barriers and increases incentives for participants, funders have better opportunities to attract a range of qualified participants. For these reasons and more, funders should not see compensation as an extra expense, but as a productive part of the decision-making mechanism that moves resources to the people and communities at the heart of their work.

We believe that monetary compensation is necessary in most cases, but is insufficient on its own. Funders' participatory practices should be designed to offer other tangible and intangible benefits, as well. We suggest funders consider "[radical hospitality](#)" to create inclusive, accessible, and welcoming environments. We also recommend funders consider a range of alternatives to cash payments, such as gift cards and reimbursement for education expenses. Whatever funders choose, we suggest they make sure to understand their time and money commitments upfront, reviewing this new tool and taking advantage of other resources, such as the Participatory Philanthropy Toolkit's "[operating budget checklist](#)."

In this resource, we focus on the practical aspects of compensating participants. We start with tips to handle some of the trickier issues that might arise, then we offer checklists of good practices; summarize different legal frameworks for offering compensation; and provide ideas for alternatives to cash payments and what kinds of intangible benefits participants might also experience.

[Paying Participants: Compensation in Participatory Philanthropy](#)



[Go to this blog post at Insights for Change](#)

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Participant Compensation *(continued)*

Paying Participants: Tips for Funders



Calculating compensation

A fixed stipend may not amount to a sufficient hourly wage once you count the full amount of time participants work. Instead, take the hourly rate you typically pay an expert consultant for similar work, multiply that rate by a realistic estimate of the number of hours you expect a participant to spend on the process, and plan to pay that amount.

Think of compensation as a necessary cost of good grantmaking. Funders likely wouldn't launch a grantmaking program without a budget that covers staff costs. Similarly, don't launch participatory processes without a budget that would cover the cost of compensating participants.



Identifying an appropriate compensation plan

Be sure participants understand that most forms of compensation should be reported as taxable income, and encourage them to assess how it could affect their eligibility for any public benefits. Consult with them about adjusting the timing of payments or amounts to fit their circumstances. Offer these options upfront so participants don't need to request alternatives.



Reducing steps to receive compensation

Funders often have cumbersome payment processes that require recipients to create accounts with usernames and passwords and submit extensive personal information. Participants may find the systems unfamiliar, uncomfortable, or overwhelming, and, if a payment is to be relatively small, they might even choose not to pursue payment. These administrative hassles are not only a practical burden, but they can also further entrench harmful power dynamics among funders and their participants.

Work with your administrative team to understand exactly what participants will need to do in order to receive compensation. Walk through the process yourself, if possible. If there are steps you can remove or take on yourself to reduce the burden for participants, do so. Consider providing additional compensation to cover participants' time spent on administration. Also, share information about how to receive payments with participants at the time you reach an agreement with them and not after the work has been completed.

Other thoughtful takes and resources around participant compensation

By Urban Institute

**Equitable Compensation for
Community Engagement
Guidebook**

Georgia Booth's

**10 Thoughts About
Compensating Girls &
Youth Activists**

By LeapAmbassadors'

**How Foundations Can
Compensate Stakeholders**

and Melinda Tuan's

Shared Insight's approach

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Participant Compensation *(continued)*

Good Practices for Compensating Participants

Determining appropriate compensation

- ✓ Develop an accurate estimate of the time and effort required of each participant
- ✓ Use what you pay an expert consultant doing similar work as a benchmark
- ✓ Monitor the time and effort participants are spending and make adjustments if needed
- ✓ Be aware of power dynamics; participants are likely not to feel empowered to negotiate
- ✓ Err on the side of providing too much compensation rather than too little

For paying participants

- ✓ Provide participants with options for how they can be paid and when
- ✓ Offer information about how and when payments will be administered in advance
- ✓ Avoid unnecessarily burdensome administrative practices, especially for small payments
- ✓ If the process to receive payment is time-consuming, compensate participants for the additional time
- ✓ Offer alternative forms of compensation (see examples below) up front, in case participants deem the cash payment process too burdensome

For communicating with participants

- ✓ Recognize that conversations about compensation may be uncomfortable for some
- ✓ Do not set false expectations for future payments
- ✓ Provide as much information as you can in advance about how your process will work
- ✓ Commit to making timely payments and keeping participants informed
- ✓ Make the purpose of the compensation and your expectations clear in writing
- ✓ Notify participants whenever they will need to report compensation as income

Determining who should be paid

- ✓ Offer to compensate individuals or organizations based on their preference
- ✓ Compensate participants who spend time on your work
- ✓ Compensate participants who are offering their expertise
- ✓ Consider any legal restrictions, such as your conflict of interest policy

For monitoring

- ✓ Trust that participants are doing their part
- ✓ Avoid making compensation contingent on meeting certain milestones
- ✓ Observe the time and effort of participants and increase compensation if needed
- ✓ Request feedback from participants about how compensation works for them

For budgeting

- ✓ Fully secure the funding before you contact any participants
- ✓ Recognize that compensation is a necessary cost of doing business, not an extra
- ✓ Recognize that compensation is yet another tool for supporting communities and achieving your mission

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Participant Compensation *(continued)*

Frameworks for Compensation

This table is specific to funders funding from the U.S. Other countries may have different options for compensation. This table is intended as a general information tool. Always seek professional legal and financial advice when evaluating these options for your specific circumstances.

| Frameworks for Compensation | | | | |
|--------------------------------------|---|---|---|--|
| | Honorarium | Stipend | Grant | Contract |
| Frequency | One-time | Recurring | One-time or multiple disbursements | One-time or multiple disbursements |
| Purpose | Recognition of one's general contribution | Expenses and training (not work performed) | Public benefit | Payment for work performed |
| Restriction | Often capped by organizations at \$599 due to IRS requirements to file a 1099 | Few restrictions but not provided by many nonprofit organizations | Subject to many complex and eligibility requirements (covered in IRC Section 4945) | Flexible but requires legal supervision and is often subject to internal processes |
| Recipients | Individuals, companies, 501(c)s | Individuals only | Often 501(c)s but may be offered to individuals and companies with certain restrictions | Individuals, companies, 501(c)s |
| Taxable for the recipient? | Taxable income for the recipient (even if under \$600) | Usually taxable income for the recipient | Varies depending on the status of the recipient | Taxable income for the recipient |
| Requires a written agreement? | Does not require a written agreement | Does not require a written agreement | Type of contract (generally requires a written agreement by definition) | Generally requires a written agreement by definition |

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Participant Compensation *(continued)*

Beyond Monetary Compensation

We are sure that these lists of benefits are not exhaustive! If you've used other creative ways to compensate participants, we'd love to hear from you.

Please also note that some of the tangible benefits included here may be considered "cash equivalent items" by the IRS (such as gift cards) and must be reported to the IRS as taxable income. Make sure that participants are adequately informed of this, and that all parties seek the professional legal and financial advice needed.

Tangible benefits to offer participants in addition to cash payments

Note: Some of these items could be "cash equivalent items"

- ✓ Providing gift cards
- ✓ Paying for educational expenses
- ✓ Paying for or providing training
- ✓ Providing technology equipment
- ✓ Providing access to software that participants can continue to use
- ✓ Providing quality internet access
- ✓ Paying for dependent care
- ✓ Providing quality food, refreshments, and accommodations
- ✓ Funding travel or networking opportunities that benefit participants directly

Benefits, beyond monetary compensation or other tangible benefits, that participants might experience

- ✓ Having an impact on a cause they care about or on their communities
- ✓ Feeling of service to their communities or a cause they care about
- ✓ Feeling more connected to others
- ✓ Building relationships and connecting with other participants or funders
- ✓ Expanding and strengthening their networks
- ✓ Building new skills and strengthening existing skills
- ✓ Enhancing their profile or building their reputation
- ✓ Learning something new
- ✓ Gaining inspiration from the work of others
- ✓ Receiving recognition for their work and feeling a sense of accomplishment

Have questions about the toolkit? Or want to learn more?

Please reach out to Katy Love (katy@fundforsharedinsight.org), the toolkit's co-author with Winifred Olliff, both consultants with experience and expertise in participatory grantmaking.



[Contact Katy](#)