

Fund for
Shared Insight

Participatory Philanthropy Toolkit

Learn how to integrate
participatory practices
that share decision making,
build trust, and shift power.

Explore the toolkit to learn how to design and implement participatory grantmaking programs.

When high-quality listening opens up opportunities for more participatory practices, you can be ready. Here you will find discussion guides about launching a participatory philanthropy process, concrete tools to help you design or improve your grantmaking, and reflections on how power shifts can happen in your philanthropy.

Introducing the Toolkit

We created this resource to offer insights, recommendations, and the nuts and bolts of design and implementation to inform and inspire your own journey toward more participatory practices.

- **Participatory Philanthropy Primer**
- **How to use the toolkit video**
- **Glossary of Terms**
- **Our Appreciation**

Funder Readiness Assessment

Find here questions and discussion prompts to advance conversations about participatory philanthropy within your organization before deciding how you might implement new practices or programs.

- **Financial Resources**
- **Power**
- **Capacity and Time Constraints**
- **Practitioner Skills**

Key Insights and Recommendations

Drawing from Shared Insight's own participatory grantmaking initiative (see the "How We Did It" section for details), we offer reflections on our experience and ideas for how you can apply the learning to your own philanthropy. Here are nine insights and the practices we recommend in response.

1. **Use Expansive Definitions and Approaches**
2. **Take a Holistic Approach to Funding**
3. **Be Open to Communities' Definitions of Geographic Boundaries**
4. **Explore Trust-Based Participatory Philanthropy**
5. **Aim for Radical Hospitality and Inclusion**
6. **Increase Participation in Each Phase of Work**
7. **Embrace Interconnectedness (Including Conflicts of Interest)**
8. **Identify and Shift Administrative Risks and Burdens**
9. **See Beyond the 501(c)(3)**

Resources for Funders Ready to Go

Sample templates (e.g., budgets and project outlines), practical tips, and other resources for when you are ready to start your participatory work



Operating Budget Checklist



Participatory Compensation



Participatory Project Outline



Conflicts of Interest



Sample Project Scope



Participatory Learning and Evaluation



Project Roles

For online-only sections of the toolkit, visit our webpages to:

[Explore toolkit online](#)

- Explore discussions and hot topics featured on our blog, Insights for Change, that will inform and inspire your work with the Participatory Philanthropy Toolkit
- Read "How We Did It," a step-by-step look at our Participatory Climate Initiative, the one-time grantmaking program on which this toolkit is based. This case study offers a detailed description of each phase of that work — what, how, and when it all happened — with takeaways to inspire or kickstart your own participatory processes.

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Participatory Philanthropy Primer

For funders committed to shifting power to, and sharing power with, those most impacted by their work, participation is key. Participatory approaches in philanthropy center the leadership, wisdom, and voices of communities. They shift power from philanthropy's traditional power centers (i.e., the donors and institutions that control the money) to the people and communities directly affected by the issues being addressed.

Done right — authentically, with an open mind, and with a commitment to equity — participatory approaches allow funders to truly listen, respond to what they hear, and shift power to meet the needs and aspirations of the communities they aim to serve. Participatory approaches leverage the invaluable knowledge and insights that can be gleaned only from firsthand experiences, and cultivate partnerships that enable individuals to play an active role in shaping their own destinies. **Participation can mitigate power imbalances; surface the most-effective solutions; promote trust, accountability, and transparency; and lead to more equitable philanthropy.**

Participatory philanthropy is a broad approach that calls for participation not only in grantmaking, but across the entirety of a foundation's functions, including governance, grants administration, and evaluation. Participatory grantmaking is an approach under the participatory umbrella that cedes decision making around grants.

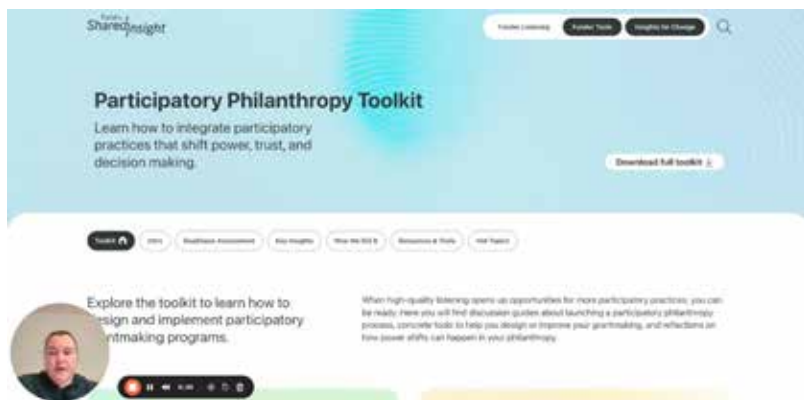
Funders across the country are moving toward participatory practices at different rates and from different starting points and perspectives. Shifting power is not easy work and requires a strong internal commitment and continuous learning. It's best to be clear on your organization's motivations, capabilities, and goals when considering including participatory approaches in your work.

A Look at Shared Insight's Participatory Philanthropy Project



[Watch video online](#)

How to use the toolkit video



[Watch video online](#)

Glossary of Terms

Consensus: an approach to decision making where every member of a group of decision makers must meaningfully agree to support a decision/outcome before moving forward.

Consultative Grantmaking: a structured process in philanthropy through which participant-stakeholders with lived expertise in a relevant issue area are consulted about grantmaking decisions, improving the knowledge of the grantmaker but without the funder ceding power.

Participatory Grantmaking: a structured process in philanthropy through which community members with lived expertise in a relevant issue area (non-funders) make decisions about grants. Participatory Grantmaking is an approach within Participatory Philanthropy, and Participatory Grantmaking refers specifically to participation in decisions about grants.

Participatory Philanthropy: a philanthropy practice that explicitly includes the participation of community members with lived expertise in a relevant issue area (non-funders) and shifts power from traditional foundation decision makers to participants during any part of the philanthropy process and in the organization more generally, including strategy, planning, design, grantmaking, implementation, communications, fundraising, and/or evaluation. Participatory Philanthropy may include a variety of approaches to participation at different stages of the philanthropy cycle, and includes Participatory Grantmaking as one approach.

Participatory Design: in the context of Participatory Philanthropy, a structured process through which participant-stakeholders with lived expertise in a relevant issue area define or influence a funding program's design. Participatory Design is an approach within Participatory Philanthropy that is specific to decisions that are made prior to any grant decisions, about how a funding program will work.

Spectrum of Participatory Decision Making: refers to degrees of ceding power within a decision-making process, from autocratic decision making (not participatory) through well-executed participatory consensus-based decision making.

Trust-Based Philanthropy: an approach to philanthropy that centers relationships, deprioritizes control and surveillance, and works from the assumption that funders and grantee partners are working together in good faith toward similar goals.

Our Appreciation

Fund for Shared Insight is grateful to all who participated in, supported, and contributed to our Participatory Climate Initiative, on which this toolkit is based. Please see online the list of organizations and individuals who participated as Design Team members, Grantmaking Group members, participant or grantee nominators, grantees, funders, fiscal sponsors, evaluation partners, or toolkit reviewers. We deeply appreciate everyone who participated and the contributions they made.

[See our appreciations online](#)

**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](#)

Funder Readiness Assessment

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- Financial Resources
- Power
- Capacity and Time Constraints
- Practitioner Skills

Financial Resources

Understanding what investment is required by your organization up-front can be an intimidating challenge for organizations that are new to participatory philanthropy. Use these questions to demystify this challenge.

Discussion Prompts



Do you have sufficient resources to support an operating budget that will make your participatory philanthropy efforts successful?

[See Operating Budget Checklist](#)

Q. Does your organization have resources available to make participatory philanthropy happen?

Do you have sufficient resources, like a substantial grant budget?

It is important to have meaningful resources for the participants to decide about. What is meaningful will depend on the context.

Do you have funds available to compensate participants?

Payments to participants are another way you can resource and support communities and payments will make it possible for more people to participate. Compensating participants can make the process more equitable and less extractive, honoring the expertise, networks, reputations, and credibility you are asking participants to share. An appropriate hourly rate might be comparable to what your foundation pays other staff or consultants. Always disclose the details of these payments to participants to ensure they understand what payments will be taxable and must be reported to the IRS. Be mindful that payments may have tax implications for participants or affect their eligibility for public benefits.

[See Participant Compensation Resources](#)

Have you invested in building sufficient expertise in-house not only to initiate this program but also to carry the work forward?

Remember that the skills required for successful participatory philanthropy may be very different from those required for a traditional grantmaking program. The role of the program team in participatory philanthropy tends to shift toward managing the process on the back end, engaging participants, and liaising with fund applicants. If you do not have this expertise in-house, consider how you can bring it into the process, build your expertise in the long term, and make plans that are realistic and achievable for your organization at this time.

[See Roles & Engagement Levels](#)



The costs of participatory philanthropy may seem intimidating at first, but will decrease as the programs and practices become a regular part of your organization's operating strategy. Many costs are one-time start-up costs and will not be required over time. If you are having difficulty making a case for its value with respect to cost, focus on the many benefits that go beyond making high-quality and impactful decisions, such as building long-term trust and credibility with the communities your organization works with.

Power

Q.

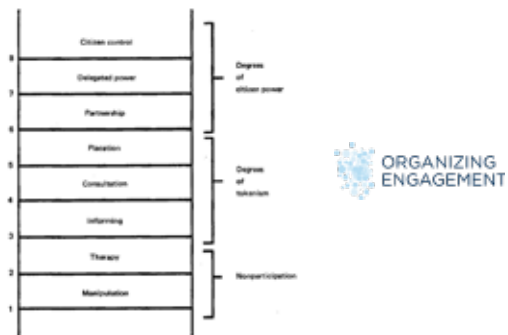
Where and how is your organization ready to cede power to participants in meaningful ways?

Discussion Prompts

Where will you fall on the spectrum of participatory decision making?

When you invite people's input but you intend to make decisions, be explicit about that. When power sharing is overstated, you risk breaking trust with participants when the "real decision makers" do not follow through on their decisions or recommendations after a lengthy participatory process. And when the norms and practices of power are not made explicit, everyone operates from their own assumptions – and those with less formal power will bear the consequences of the resulting confusion.

See Sherry Arnstein's Ladder of Citizen Participation to consider where you will fall on the spectrum of participatory decision making.



Sherry Arnstein's Ladder of Citizen Participation

Have you identified who the key decision makers are in your organization or community who will need to commit to ceding power in order to move forward?

They may be people in formal or informal positions of power within your organization or community, such as leadership like board members, directors, or community leaders.

Do decision makers require training and/or support to fully understand what it means to cede power in this context?

If this is not fully understood, any commitments they make may not be meaningful. It is critical for you to understand any concerns or barriers, and any requirements that decision makers have established.

Are you able to secure wholehearted, firm, and specific commitments from decision makers, preferably in writing or in a context that is public or recorded?

It may feel easier to informally agree to the principles of sharing power, but you may want to create an agreement to refer back to during the process. Keeping decision makers informed and involved will facilitate good communication and avoid difficulties.

A Funder's Reflections on a Participatory Philanthropy Initiative



[Read viewpoint](#)

(continued on next page)

Power *(continued)*

Discussion Prompts

Does the decision makers' agreement clearly define and document the parameters, conditions, and limits of how power is being ceded to participants?

Setting clear boundaries will help decision makers feel confident and could even reveal opportunities to cede more power in the future as your practice grows. This allows you to communicate clearly with participants so that they do not lose trust in the process.

Participation benefits a foundation by ensuring grant decisions are more grounded in context, but ask yourself, how will it benefit those who join in and participate?

How can you be sure to cause no harm? How will you ensure people who become involved benefit from their experience?



If you are still having difficulty securing the agreement of decision makers, consider whether or not there are ways you can further limit the scope of your participatory philanthropy work in order to secure their commitment. For example, can you shift to a time-bound project or a smaller grant budget? If you need to make adjustments, apply the budget recommendations to ensure results will still justify your investment. Evaluate whether or not your work can still be considered participatory if you are using that terminology.

[See Glossary of Terms](#)

Capacity and Time Constraints

People are often excited when starting their participatory philanthropy journeys, but planning overly ambitious or aggressive timelines for participatory work is a common pitfall that can lead to less-than-ideal results.

Q.

What requirements do you have for the timeline for your participatory philanthropy work, and do you truly have the capacity to implement your participatory philanthropy work within that timeline?

Discussion Prompts

Has your organization already built up a substantial foundation of knowledge and a substantial network in the issue area you would like to influence?

If not, your planning and design phase should take at least several months to a year and will likely require significant resources, including staff and/or consultant time.

Is your organization committed to important principles that are relevant to your participatory work?

Examples of relevant principles are racial justice, disability justice, language justice, and gender justice.

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Capacity and Time Constraints *(continued)*

Discussion Prompts

What factors will influence the schedules and availability of potential stakeholders?

These may be seasonal considerations, a need for some folks to plan far in advance, or availability at certain times that may not align with a traditional work day. Ask your potential stakeholders before you assume you understand all the barriers and needs.

Do the project sponsors and key staff/consultants already have sufficient skill, knowledge, and awareness to begin to carry this work forward?

If not, plan time to build your team's capacity for this work before you move beyond the planning phase.

Are your estimates for how long it will take to complete work in each phase truly realistic?

You will want to take into account the complexity of your field of stakeholders, limits on their availability that may make it difficult to schedule things in a timely way, how the pace of your work with participants impacts project outcomes, overlapping phases of work that could stretch capacity, and scheduling dependencies.

Resources for Funders Ready to Go

Sample templates (e.g., budgets and project outlines), practical tips, and other resources for when you are ready to start your participatory work

- Operating Budget Checklist
- Participatory Project Outline
- Sample Project Scope
- Project Roles
- Participant Compensation
- Conflicts of Interest
- Participatory Learning and Evaluation



If your organization is simply not ready to proceed or if you need to learn more before building your organization's capacity in the long term, consider funding intermediaries (i.e., community foundations or regranters) that use participatory processes to direct resources and/or join a funder collaborative that practices participatory grantmaking.

Practitioner Skills

Below you will find a list of skills that practitioners utilize to deliver high-quality participatory processes.

Discussion Prompts

How much capacity is there on your staff team in areas such as facilitation and group decision-making processes?

Q. Which are the areas where you might need to grow your team's capacity?

Do staff members have the interest and time to build up capacity in the short and/or long-term?

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Practitioner Skills *(continued)*

Discussion Prompts

In which areas might you be able to get external support or training?



Use this inventory to help assess what skills your organization has and might need.

Facilitation & group management

- ✓ Experience recognizing and mitigating bias in people and systems
- ✓ Practice of radical hospitality and inclusion
- ✓ Knowledge of care practices
- ✓ Competence in listening, paraphrasing, and holding multiple perspectives
- ✓ Facility with a wide range of decision-making tools and techniques
- ✓ Facilitation expertise specific to online or in-person environments, if required
- ✓ Comfort navigating and destigmatizing conflicts of interest
- ✓ General facilitation expertise, including difficult conversations and inclusive methods
- ✓ Understanding of “do no harm” principle as it relates to working with stakeholders outside of the foundation
- ✓ Knowledge of and comfort with exploring and navigating power dynamics

Analysis, influence & decision making

- ✓ Ability to thrive in complex multi-stakeholder environments
- ✓ Skill in leading through influence and by motivating others
- ✓ Facility with analyzing and synthesizing information from many sources
- ✓ Comfort with making decisions that involve trade-offs, guided by values

Philanthropy experience & commitment

- ✓ Knowledge of participatory philanthropy principles
- ✓ Knowledge of trust-based philanthropy principles
- ✓ Commitment to a grantee-centered approach at every stage of the process

Project management

- ✓ Strong project management skills, including scheduling expertise

Cultural & language competencies

- ✓ Skill navigating and managing multilingual environments
- ✓ Cultural competency, as relevant
- ✓ Multilingualism, as relevant
- ✓ Network weaving
- ✓ Willingness to experiment, innovate, fail, and learn
- ✓ Careful use of language that honors the intentions of participants
- ✓ Competence with disability accessibility, and inclusion

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Key Insights and Recommendations

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9. See Beyond the 501(c)(3)

1. Use Expansive Definitions and Approaches



The Idea

As funders engaging people outside of philanthropy who are more connected to issues and impacted communities, we should expect to be pushed outside of our comfort zone in many ways, beginning with how issues are defined and framed. If philanthropy continues to rely on rigid frameworks and definitions that are rooted in a false notion of objectivity, we risk failing to include people who are most impacted by the issues we are seeking to address; continuing to fund organizations that lack community backing and legitimacy; and remaining unaware of and unable to benefit from innovative knowledge that has sustained and advanced communities over many years.

In our [Participatory Climate Initiative](#), a Design Team member created this definition, which we used to guide our work.

Policy is a set of decisions that prioritizes what we think we need to live. Climate policy needs to state firmly the foundations, guidelines, and boundaries that society must have to maintain a livable climate, but these must be determined by a true representation of the communities that have faced the worst consequences of environmental and energy policy.

And the Design Team did not use the term "climate change" that the funders had picked for the initiative, instead choosing more expansive language. The purpose statement the team developed, for example, reads in part that the program would fund grassroots groups "that implement climate justice or environmental justice work in their communities that centers traditional and/or local ecological knowledge and connection with Mother Earth."

Recommended Practices

Solicit meaningful input

Solicit meaningful input and create opportunities for power sharing with communities, rather than relying on mainstream organizations to represent them.

Value traditional knowledge and lived expertise

Value traditional knowledge and lived expertise on equal footing with "technical knowledge," and choose which "experts" to fund and rely on accordingly.

Use holistic definitions

Use holistic definitions and approaches whenever setting funding priorities. Be aware of differences in language used by communities and funders.

Be familiar with and adopt existing definitions and frameworks that are relevant to communities

For example, activists in the environmental and economic justice movement created the [Jemez Principles for Democratic Organizing](#).

2. Take a Holistic Approach to Funding



The Idea

While philanthropy organizations often separate funding programs based on technical expertise and conventionally defined issue areas, this approach often does not match the needs and solutions on the ground. Issues such as climate change mitigation, climate adaptation, climate justice, environmental racism, food systems change, the teaching of traditional knowledge, and land rights are not distinct and should not be siloed in funding. While there can be value in zeroing in on specific issues, funders often do this at the expense of more holistic and integrated approaches and thus opportunities for greater impact.

Recommended Practices

Meet communities where they are by using language that resonates with them

For instance, ranchers in the Southwestern United States may have no interest in getting together to address climate change, but could be highly engaged in a discussion about water and agriculture. Another example is that some Native communities may not use the term “climate change,” and focus more on connection to land, language, and traditional ecological knowledge. If you don’t know what language resonates, ask!

Create cross- or multi-issue funds that reflect the complexity of the problem you seek to solve

Create cross- or multi-issue funds that reflect the complexity of the problem you seek to solve, and engage experts with traditional knowledge and grassroots organizing know-how along with technical experts.

Provide flexible, unrestricted multi-year grants

Since communities and the many issues impacting them cannot be dissected or separated, provide flexible, unrestricted multi-year grants, taking a holistic approach that recognizes the reality that meaningful systems change takes decades and long-term investments.

Commit substantial funding to a wider range of innovative grassroots initiatives

Recognize the limits of traditional grantmaking, such as requests for proposal processes and funding in silos, and commit substantial funding to a wider range of innovative grassroots initiatives.

3. Be Open to Communities' Definitions of Geographic Boundaries



The Idea

Funders that typically work in specific geographies or with a narrow geographic lens may find those conventions limiting in a participatory grantmaking effort. Geography can be an important way to understand how people are impacted by issues like climate change. For example, it can be a tool for focusing funding in areas like the Southeastern United States that have experienced systemic disinvestment and extensive extraction by industry. However, funders should not rely on political boundaries alone, but should be open to participants exploring geographic focus areas based on their own stated priorities, such as ecosystem links and land sovereignty issues.

In our [Participatory Climate Initiative](#), selecting a geography was a lengthy and somewhat painful process, particularly for grassroots activists working to build solidarity across regions. The Design Team ultimately selected two unique geographic focus areas:



1. The Kōlea Region, which encompassed Alaska and Hawai'i and was named for a migrating bird representing the links between the ecosystems of the two distant states and the historic, cultural, and navigational connections among Native peoples in the Pacific.
2. The Southeastern United States, which was defined as including U.S. Territories, like Puerto Rico, and the U.S. Virgin Islands, areas that have experienced longtime disinvestment and overburdened infrastructure while facing severe impacts of climate change.

Recommended Practices

Consider cultural, historical, ecological, and thematic connections

When applying a geographic lens to funding programs, don't rely on conventional political definitions or boundaries. Consider cultural, historical, ecological, and thematic connections.

Remain flexible, creative, and open to unconventional definitions and the many benefits they may bring

Be prepared for difficult and time-intensive discussions. Remain flexible, creative, and open to unconventional definitions and the many benefits they may bring.

Act with sensitivity

Be mindful of the impact discussions about geography, or limiting the scope of your program in general, may have on participants who are working to build solidarity across regions and movements. Act with sensitivity.

Be open and transparent with everyone involved

Be open and transparent with everyone involved about what definitions you are working from and how this may impact funding opportunities or other opportunities for involvement.

4. Explore Trust-Based Participatory Philanthropy



The Idea

Some principles of trust-based philanthropy and participatory philanthropy may appear to be opposed or mutually exclusive, while others are complementary. Both approaches have value and each design decision you make will involve trade-offs. While there is no roadmap for integrating these two approaches, we were able to refer back to the values participants identified as important when making tough decisions about these trade-offs.

Find more discussion about combining trust-based and participatory philanthropy principles in this [blog post](#) at Center for Effective Philanthropy and this video of our “Nuts & Bolts” webinar.

Examples of the tensions between participatory philanthropy and trust-based philanthropy from our [Participatory Climate Initiative](#):

- The Design Team had a strong preference for a very simple application process that would limit burdens on those who would receive the funding. At the same time, some of the same participants, when it came to decision making, lamented having less information than they would have liked in reviewing grant applications and making decisions.
- Participants wanted time to get to know grantees and establish relationships with them, but did not want this process to be burdensome for grantees. And yet, arranging meetings among many participants and 35 grantees became a complex logistical puzzle, and not every meeting met all needs for the grantees and the Grantmaking Group members. Grantees invested time in preparing for and participating in those calls.
- Groups being considered for funding were guaranteed a minimum grant of \$10,000. This was a requirement of the Design Team, and is good practice in philanthropy, but it also at least somewhat constrained the Grantmaking Group's options for their \$2 million.

Recommended Practices

Recognize that both trust-based philanthropy and participatory philanthropy have value

Recognize that both trust-based philanthropy and participatory philanthropy have value and build your organization's understanding and practice in both approaches.

Compensate those you consult for their time and expertise, and share back with them the results from your work

Seek the advice of people with experience with each of the approaches so you can define the values that guide your work and effectively evaluate the trade-offs. Compensate those you consult for their time and expertise, and share back with them the results from your work. Consider how your work can add real value and be beneficial to those people.

Experiment and innovate as you seek to balance both approaches

Continue to experiment and innovate as you seek to balance both approaches. Be prepared for challenges and bumps in the road as you create new ways of working.

5. Aim for Radical Hospitality and Inclusion



The Idea

Since participatory philanthropy efforts will often (and sometimes by definition) include a diverse group of participants – across race, geography, language, culture, religion, expertise, age, disability, gender, and sexual orientation – significant effort and expertise must go into creating a truly inclusive and accessible experience. Everyone should bring their full selves to this work and build meaningful connections with one another. This includes funders, grantees, and the people facilitating the work.

To optimize opportunities for inclusion and access in our Participatory Climate Initiative, we:

- Worked toward digital inclusion, offering participants resources to meet technology needs, including equipment and stipends for internet or data usage and reimbursement for mileage costs associated with traveling to access the internet. We also worked with participants individually, collecting their input through their preferred communication method like phone or text, instead of asking everyone to submit written input to us.
- Actively sought out the opinions of those who participated less, starting by tracking who was speaking during group discussions. We then analyzed recordings to understand whether or not speaking time was shared equitably, making adjustments as needed, and actively seeking out the opinions of those who participated less.

Recommended Practices

Devote adequate resources to facilitation

This may involve hiring experienced facilitators or building your capacity for facilitation in-house and ensuring staff are assigned to this work. Facilitators should have experience in areas that are relevant to the group, such as racial justice and disability justice.

Welcome participants as their full and authentic selves

Foster meaningful relationships with and among participants that go beyond their roles in the work, including opportunities for sharing their experiences, personalities, and cultures through activities like group discussions, paired conversations, and journaling.

Use different methods to share and receive information among participants, including written narratives, videos, audio files, illustrations, and more

Apply principles of disability justice and language justice, and consider how different methods of sharing and receiving information may or may not be accessible to all participants.

Design a schedule, time expectations, and a general pace and time commitments for activities for participant engagement

Share these requirements in advance to avoid asking more of participants than they originally committed to. Stick to these commitments.

Be intentional about navigating power dynamics within your group

Be intentional about navigating power dynamics within your group. Even when working outside of a traditional hierarchical structure, the roles and positionality of participants may influence outcomes and participant comfort. For example, be intentional about when you do or do not include funders in your space with participants.

Ask yourself who is not participating, and why

Is everyone participating? Notice who is contributing and engaging in activities and meetings. Seek to identify people who are not participating and consider access needs and what they would need to participate meaningfully. When in doubt, ask them.

6. Increase Participation in Each Phase of Work Boundaries



The Idea

Participatory philanthropy approaches should be applied to the continuum of the funding process so that not all parameters are set by funders. If participatory practices are used only at the point of decision making about grants, for example, participants don't have the chance to define the funding focus or criteria, or to continue to support and learn from grantees during the implementation and evaluation phases of the work.

As we planned the Participatory Climate Initiative, we considered how power was shared among different people during each phase of the project and how these shifts in power carried through or changed in each subsequent phase of work. This cascading approach had many benefits, since participants had an increasing voice in the design of the initiative, then in decision making, and then in implementation and evaluation.

Here is an idea of how we thought about power sharing and participation within the context of this initiative during each phase:

PLANNING PHASE:

Decision-making power is held by traditional decision makers (funders) in a collaborative space who establish the size of the portfolio and define a general focus of the fund; participants begin to inform the work immediately through consultation.

DESIGN PHASE:

Power is partially ceded to participants with some limits in place; participants hold influence and shape the plan for the next phase including the goal, eligibility criteria, geographic focus, and values of the fund.

GRANTMAKING PHASE:

Power is formally ceded to participants, who are responsible for making decisions about grants independently of funders.

IMPLEMENTATION & PRACTICES:

Responsibilities are shared among funders and participants.

Some participants noted that the extent to which power was able to shift systemically was limited by the scope of this initiative, since long-term work with significant resources would be required to shift power within the global philanthropy system. Significant power is also held by those who decide who is participating in each phase of work. By reaching out to many people during the early phases of this initiative, we were able to involve people with relevant expertise in making subsequent decisions about who was involved in each phase.

Recommended Practices

Expand participatory philanthropy practices to include participation in multiple phases of your work

Expand participatory philanthropy practices to include participation in multiple phases of your work beyond just making decisions about grants. Incorporate the process and the ethos of participation beyond your grantmaking.

Consider how participation or a lack of participation in each phase of your work will influence what happens in the next phase

Are you moving decision-making power to your stakeholders in meaningful ways? Are community participants benefiting from their participation? Are they compensated?

Conduct a power analysis

Conduct your power analysis accordingly so that you can be intentional about how much power each group of stakeholders holds during each phase and communicate this power analysis with participants so it's clear to them how much power they have in each phase.

7. Embrace Interconnectedness (Including Conflicts of Interest)



The Idea

Since one approach in participatory grantmaking is to get to the grassroots by working with people with the broadest and deepest ties in their communities, stakeholder groups tend to overlap. There may be little or no separation among the people and organizations designing the program, nominating grantees, and receiving the funds. As long as potential conflicts of interest are acknowledged and addressed, this interconnectedness is a strength of the process and not a flaw.

In our Participatory Climate Initiative, some Grantmaking Group members deciding about grant funding were also participant partner-selectors, Design Team members setting the focus and criteria, grantee nominators, and/or grantees receiving funding. Many of the participants often shared ties among each other. We recognized that participants came from different backgrounds and had different ideas about what constitutes conflicts of interest and how to navigate them. Many may have dealt with conflicts as part of their movement work and had negative experiences. To mitigate these concerns, we sought to destigmatize the idea of conflicts and manage them by:

- **Providing participants with good information about conflicts early in the process**, explaining that conflicts were a normal and necessary part of doing participatory work, and that many strategies were available for addressing them.
- **Giving participants time to prepare to disclose their conflicts and hands-on support and guidance throughout the process**, including by providing a personalized set of recommendations to help them manage each conflict and consulting with them to make sure they were comfortable with the advice.
- **Offering transparency to the full group about the mitigation measures we applied for each potential or real conflict of interest.**

Recommended Practices

Encourage participants to participate in overlapping roles at different stages of your funding process

For example, invite participants who are part of a participatory design phase or who serve as nominators to join the group of decision makers. Proactively manage any potential conflicts of interest that might arise.

Seek out participants with lived expertise and extensive networks who are active in their communities

Consider these ties and connections assets rather than liabilities.

Early on in the process, provide all participants with good information about the nature of conflicts of interest and how to manage them with transparency

Work proactively with participants to manage conflicts of interest in ways that feel relevant to them. Have an organized process for managing conflicts that gives participants confidence and offer them ongoing support in this area throughout their engagement.

Do initial work to destigmatize the notion of conflicts of interest and increase the comfort of participants

Talk openly about the benefits of being connected to one's community, and how knowledge, experience, connection, and commitment is valuable in participatory processes, as proximity offers meaningful insights. At the same time, be mindful that some participants may have had negative experiences in the past, particularly if they have had to make decisions to support some — but not all — of their communities. Speak with participants privately about any potential conflicts and support them with appropriate mitigation strategies that maintain the integrity of the decision-making process.

8. Identify and Shift Administrative Risks and Burdens



The Idea

When working with frontline, grassroots, or any type of nonconventional nonprofit or community organization, funders should take extra care to identify potential pain points in financial transactions. Grantees might not have the staff time, adequate technology, or experience with typical foundation payment systems and practices, leading to delays, or, worse, misunderstandings that could negatively impact the funder-grantee relationship. Work proactively with grantees from the start to anticipate and resolve administrative issues, listen to their feedback, and show them that you are taking action to improve. Wherever you can, shift the administrative burden away from grantees and community participants.

Despite the best intentions among ourselves and our fiscal sponsor, the process of distributing grants and honoraria in our [Participatory Climate Initiative](#) did not go smoothly for every grantee and participant. Not everyone offered an honorarium chose to receive it, and at least one participant declined to receive one, deeming the process too burdensome because of the amount of paperwork required and the number of steps needed to receive the money, which included having to set up a login and password through an online portal.

In some cases, administrative hurdles caused significant delays in distributing funding. Getting money to organizations without 501(c)(3) tax status as expenditure responsibility grants was the most complicated. For those grantees that were not 501(c)(3) or equivalent, our fiscal sponsor required evidence of legal status, tax documentation, audited financial statements, and financial and narrative reports, as well as detailed budgets documenting how grant funds would be used for charitable purposes. While we did not otherwise have reporting requirements, groups receiving expenditure responsibility grants did have financial and narrative reporting requirements.

Recommended Practices

Conduct an impact risk analysis

Conduct an impact risk analysis (such as this one from [Spring Impact and Open Road Alliance](#)) to assess your organization's risk appetite. Then determine where your processes can and need to be more flexible, with the goal of shifting risk from grantees to your institution in the longer term.

Discuss, agree, and document general procedures and ways of working

Involve administrative staff with relevant expertise from the start of any initiative to clarify and, if needed, adjust administrative requirements during the planning stages of your project. Discuss, agree, and document general procedures and ways of working.

Ensure your organization is equipped to give out grants of the type that your program requires in the way that your program requires

For instance, do not plan to give out flexible general support funding if your current administrative systems do not allow you to do this. If you are not equipped, you will need to improve your systems, seek help, or adjust your plans accordingly.

Create a process for documenting administrative delays and hurdles when they occur

You can refer to these experiences when you are in the early stages of designing your next initiative and better predict where difficulties may occur and plan how to mitigate them.

Do your best to set realistic expectations for grantees about what documentation may be required and the timeline for receiving funding

Be conservative in your estimates and be communicative, transparent, and honest about any mistakes by the foundation.

9. See Beyond the 501(c)(3) Boundaries



The Idea

Partnering with communities around grantmaking will mean – and should mean – being open to funding organizations that are not 501(c)(3)s, including informal groups and collectives, individuals, community development corporations, small businesses, farms, LLCs, tribes with various types of state and federal recognition, and unrecognized tribes/communities. If you currently fund only 501(c)(3)s, examine how grantmaking may be influencing how communities are resourcing and structuring their work. Are they having to develop cumbersome and unnecessary tax and financial and reporting structures simply to secure resources? To make sure your grantmaking strategies are sustainable for and beneficial to communities in the long term, consider looking beyond 501(c)(3)s.

In our *Participatory Climate Initiative*, as soon as we began to reach out to stakeholders, they urged us to design a program that would support both 501(c)(3)s and non-501(c)(3)s, and we quickly adopted the idea of including all kinds of organizations, including tribes, small businesses, and informal collectives. Reaching out to groups who were not registered as 501(c)(3)s, we encountered both enthusiasm and skepticism. While some were excited about the opportunity because funding for these structures is rare, at least one group shared that they had structured themselves as an LLC precisely to move out of potentially problematic and extractive dynamics between nonprofits and philanthropy and they were hesitant to engage. Distributing money to a variety of types of groups was challenging and in some cases imposed significant administrative burdens on grantees. We did our best to mitigate them.

While we had been open to funding individuals, the Design Team chose not to do so because of concerns around whether they could ensure that such grantees would have significant enough accountability to and buy-in from the communities they worked with. The team also observed that when philanthropy elevates and supports individuals within communities, it can be problematic and do more harm than good.

Recommended Practices

Develop administrative systems that will enable you to manage the risks associated with funding individuals, tribes, informal groups, and for-profit entities

Seek support and guidance – externally if needed – about what the risks actually are. Weigh these risks against the impact risk associated with not funding organizations that are doing excellent work with community support.

Consider the different needs that grantees with different structures might have as they engage in your grantmaking process

For example, consider how you can prepare to discuss your requirements for expenditure responsibility grants with small farmers before you embark on a plan to fund these groups.

When working with communities with limited experience with funders, don't assume shared language and understanding of financial and legal terminology

For instance, “expenditure responsibility” is not terminology most are familiar with. Be prepared to talk through options and trade-offs in lay language.

**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](#)

Resources for Funders Ready to Go

Sample templates (e.g., budgets and project outlines), practical tips, and other resources for when you are ready to start your participatory work



Operating Budget Checklist



Participatory Project Outline



Sample Project Scope



Project Roles



Participatory Compensation



Conflicts of Interest



Participatory Learning and Evaluation

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

Funders			
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](#)

Conflicts of Interest



Almost by definition, participatory processes are about relationships and interconnectedness. To preserve the benefits of those connections while avoiding conflicts of interest or the appearance of such conflicts, funders must take steps to manage and destigmatize the risks.

Definitions

Conflicts can occur when participants in decision making have a personal, financial, or professional interest that could, consciously or unconsciously, influence their judgment or actions.

This could lead to participants making unfair decisions, and could also have legal consequences. Even if decisions are considered fair and in the best interests of the program overall – not just the potentially conflicted participants – situations involving conflicts could place emotional strain on participants, strain their relationships, or damage the reputation of the program or participants.

Conflicts of interest: Participants themselves or a family member could benefit directly from a funding decision. Participants might be incentivized to make decisions that are in their own best interests rather than in the interests of the program they are working on.

Conflicts of loyalty: While a participant might not benefit directly from a decision, a group they are affiliated with could benefit. Participants might be motivated to make decisions in the best interests of that group rather than the program they are working on.

Perceived conflicts: There is not actually a conflict of interest, but someone might perceive that there is a conflict. Decisions are unlikely to be affected, but a perceived conflict could still damage reputations and relationships, and challenge the integrity of the whole process.

Case Study: Steps taken by Shared Insight's Participatory Climate Initiative

Policy and process 📋

We developed a policy to define conflicts of interest and outline how to handle them appropriately. If your organization does not already have a policy in place governing conflicts of interest, make sure to draft one in partnership with your legal and compliance team. It is important to ensure that your policy is compliant with any local laws and regulations governing conflicts of interest as well as your organization's internal policies.

Training and communication 🗣️

We took a careful approach to training, including training toward the very beginning of each decision-making process. Training ensured participants were on the same page and began to destigmatize the issue for participants. Rather than make participants feel they needed to avoid conflicts of interest, we reminded them that conflicts of interest are inevitable in this context of interconnectedness. The important thing was to disclose any potential conflicts of interest and take appropriate steps to manage them with the support of the facilitators. Training also prepared us for the one-on-one discussions and work with each participant that followed.

Disclosures and action plans 📝

We asked participants to report any potential conflicts of interest, disclosures we collected from each participant through a form. We recorded each reported potential conflict and created an action plan for each participant, which we reviewed together with that participant. Through one-on-one discussions, we ensured that each participant understood the action plan and what was required of them. In some cases, we needed to inform the full group about how we planned to manage certain conflicts, but we never did so without discussing this with each participant first to ensure their confidentiality was respected. Keep in mind that some conflicts may be sensitive for participants, which is one reason why in-depth one-on-one work with participants is necessary to understand their needs.

Implementation 🔄

Throughout the group decision-making process, we ensured that access to materials and discussions was controlled as outlined by each action plan. That meant, for example, a participant who disclosed a potential conflict of interest involving an organization seeking funding would not have access to the materials related to that potential grant. Along with limiting document sharing, we were also prepared to moderate group discussions to ensure that action plans were followed.

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Conflicts of Interest *(continued)*

Sample Scenarios

Keep in mind that action plans may vary significantly depending on your organization's structure, legal and regulatory obligations, and internal policies, as well as the needs of participants.

Scenario 1

Potential Conflict:

A participant who is a member of the grantmaking group making decisions about grant funding also serves as a member on any kind of governing body of a grant applicant.

Action Plan:

This participant should not have access to any information, analysis, or discussion pertaining to that applicant. The participant will recuse themselves from any decisions, and a note describing this recusal can be included in the written decision at the participant's request.

Scenario 2

Potential Conflict:

A participant who is on the grantmaking group that makes decisions about grants happens to live and work in the same community as an applicant and knows many of the people involved in the project very well.

Action Plan:

This participant is not required to recuse themselves from any decisions, but they have requested to do so in order to avoid any appearance of a conflict in their community. They may have access to information and analysis, and may participate in discussions to provide the rest of the group with information or context about this grantee.

Practical Tips

- ✓ Plan well in advance and get started with training and communication right away.
- ✓ Ensure you have the expertise to understand disclosures and recommend actions, or seek support.
- ✓ Create space for difficult feelings that participants may have about conflicts.
- ✓ Ensure participants can disclose conflicts at any time during your process, not just at the beginning.
- ✓ Be aware of technology needs and procedures for limiting access to materials to ensure the right people have access to the right materials.
- ✓ Remember that active moderation may be required to ensure compliance.

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Conflicts of Interest *(continued)*

Reflection Questions

Use these questions to advance conversations about destigmatizing conflicts of interest within your funder organization:

Q.

How relevant are your organization's existing policies around conflicts of interest to participants?

Q.

What is your own attitude toward conflicts of interest and what is your organization's attitude? How might this influence your work with participants?

Q.


Is concern about conflicts of interest creating barriers to doing more participatory work? Why or why not?

Q.

Where do you see opportunities to reframe and destigmatize conversations about conflicts of interest in your work?

For further discussion on this topic, see a related post at Insights for Change.

Conflicts of Interest in Participatory Grantmaking: Addressing, Destigmatizing, and Embracing Interconnectedness



Conflicts of Interest in
Participatory Grantmaking

How We Did It:

Shared Insight's Participatory Climate Initiative

Our participatory grantmaking initiative was created to involve people impacted by climate change in the funding and policy decisions that affect them. The Participatory Philanthropy Toolkit is based on the first-hand experiences of the funders, consultants, and community members who were involved in our Participatory Climate Initiative, a one-time program to explore participatory practices in grantmaking. The case study offers a detailed description of each phase of that work — what, how, and when it all happened — with takeaways to inspire or kickstart your own participatory processes.

[See Case Study](#)

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

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[Contact Katy](#)

Participatory Learning and Evaluation Planning



Participatory learning and evaluation is relatively rare in philanthropy, even by funders practicing participatory grantmaking, but it is an important part of the philanthropy process that offers significant opportunities for funder organizations to shift power to the communities they serve. (For further discussion on this topic, see a [related post at Insights for Change](#).)

Participatory learning and evaluation is an approach that involves the people who are impacted by the work in the learning and evaluation process. It shifts some of the power held by external or staff evaluators to the people who are closest to the work. Participatory approaches in philanthropy, including participatory evaluation, center the leadership, wisdom, and voices of communities. They shift power from philanthropy's traditional power centers to the people directly affected by the work.

We have identified three core principles of participatory evaluation:

- 1 Learning and evaluation is a two-way street that benefits everyone involved
- 2 People closest to the issues are the experts of their experiences
- 3 People closest to the issues should be able to participate in learning and evaluation

Key Recommendations for Participatory Learning and Evaluation Planning

Conduct a Power Analysis

As you embark upon your participatory evaluation journey, take some time to understand learning and evaluation as a power center in your organization and where you have opportunities to shift power to participants.



Key questions for evaluators to explore:

Q.

What power do either internal or external evaluators hold in your organization right now?

Q.

What would it look like if more power was shared with communities closest to the work in the learning and evaluation process?

Q.

Where in the learning and evaluation process are there opportunities to shift power to communities immediately?

Q.

How can the learning and evaluation process change to open up more opportunities to shift power?

Key Recommendations *(continued)*

Start Somewhere

Start with what is possible for your organization, and be clear and upfront about what aspects of your learning and evaluation process are participatory or not participatory.



There are many approaches

Launching a participatory evaluation for the first time may be overwhelming. Remember that participation may be understood on a spectrum and that participatory evaluation is not an all-or-nothing proposition. There are many ways, large and small, that you can make learning and evaluation at your organization more participatory. It is not necessary (or even helpful in most cases) for you to implement every participatory approach at the same time. Perhaps you are not ready to cede power over the entire evaluation process to participants, but it is possible to involve them in deciding what is measured or in interpreting data collected or in creating your final evaluation report.

Defining the scope of the evaluation

One question that funders frequently ask when defining the scope of their participatory evaluation is, “Should participants come from the grantees we work with or the people those groups serve?” Our answer is, “Either or both, depending on your context.” Including grantees and their beneficiaries in the same group may be complex, but also may have additional benefits for participants. Depending on your goals and your existing relationships, it may be more realistic to start by working directly with your grantees and work on expanding your group of participants at a later time.

Shift from Evaluation for Accountability to Evaluation for Learning

When making a shift toward participatory learning and evaluation, we also recommend that you shift from an evaluation mindset to a learning mindset. This is because a learning mindset emphasizes benefits for everyone involved in the learning process. An evaluation mindset may imply that the evaluators involved bring an objective perspective, but learning emphasizes working together for the benefit of all. Evaluations also typically turn the lens on the grantee and not the foundation – but consider how and where grantees or others can give feedback on their experience with your foundation.



Key Recommendations *(continued)*

Redefine Expertise

Consider the expertise of those closest to the issues as just as valuable

Across philanthropy, but especially in fields like health, science, and climate solutions, a certain type of expertise is given more weight in both decision making and evaluation. Over the years, this has meant that people with credentials like PhDs, MDs, or JDs, have made decisions for the people most impacted by the issues, often without consulting the people affected or without appropriately valuing non-academic expertise. While the rigorous knowledge people with academic credentials have is certainly valuable in many contexts, participatory learning and evaluation recognizes that it is not the only type of knowledge or expertise that should be valued.



A significant mindset shift, not only from funders, but from community members is required

Consider the expertise of those closest to the issues as just as valuable, or in some cases more valuable, than traditionally held forms of academic expertise. This approach can be challenging because it requires a significant mindset shift, not only from funders, but from community members themselves, who may often undervalue their own expertise. Participatory evaluation explicitly acknowledges this power dynamic and prioritizes integrating the most relevant types of expertise to the work that is being done.

We recommend that you, as a funder, continue to interrogate the ways you value expertise throughout the learning and evaluation process, and make explicit efforts to center the expertise held by people affected by the work you are funding.

Adapt as You Go

Participatory learning and evaluation can be challenging to plan, since the way participants engage and what they recommend is beyond your control.

Tips for effectively planning for participatory learning and evaluation

1. Budget and plan for your participatory evaluation from the very start of your project, at the same time that you secure resources for the rest of your project.
2. Be as clear as possible with participants about what power they do or do not have to change things, such as the evaluation process and timeline.
3. Consider a concurrent evaluation approach, conducting evaluations while the work is underway. This approach may allow for more opportunities to course correct and adjust resources throughout your evaluation.
4. Reduce pressure to complete your evaluation by a certain date by communicating with senior leadership and other key stakeholders about the need for flexibility in your evaluation timeline.

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