Ivanhoe Development: Finance Tools List			
Tool	**Description**	**Pros/Cons**	**Best For**
Grants: Local	A sum of money given to an organization with restrictions but no requirement of a return. Local grants often have place-based giving strategies with the desire to impact communities in their "backyard," often a specific city, county, or zipcode.	Pros: Funder has a deep knowledge of the local context and needs; Funder is often physically accessible and takes a hands-on approach with support; Funder is often flexible, able to meet needs quickly, and change strategic thinking as needed Cons: Award amounts may be smaller	Geographically specific projects/interventions with a specific target population New organizations that require pilot funds Direct service projects with easy-to-track, visible, key deliverables (such as number of meals served, number of children attending summer camp, etc.)
Grants: Regional	A sum of money given to an organization with restrictions but no requirement of a return. Regional grants often have place-based giving strategies with the desire to impact communities within a slightly larger regional ecosystem, i.e. a few towns, zip codes, counties, or even states.	Pros: Funder has deep knowledge of interrelated issues across geographies, and is able to look across the entire ecosystem at how resources are leveraged and distributed; Funder may have the ability to connect your organization with like-minded partners/collaborators within the wider region Cons: Funder may expect nuanced intervention design that tackles multiple facets of an issue, i.e., advocacy, systems-level change, direct service provision, etc.	Interventions/programs that have a wider impact, either across multiple geographies or target populations Organizations or groups that can showcase meaningful partnerships that drive wider impact Interventions that benefit from economies of scale
Grants: National	A sum of money given to an organization with restrictions but no requirement of a return. National grants often require or prioritize interventions that can be delivered across multiple states or regions.	Pros: Funder is deeply connected to projects/interventions across the US and understands how/why certain projects are successful Cons: Funder may be less accessible; Funder most likely expects the intervention/project to occur on a larger scale and expects the organization to be able to impact wide geographies and subject areas	Interventions/programs that are willing to and would benefit from operating at a large scale and/or having influence on a national level Organizations that are able to manage large-scale, disparate work with a strong understanding of why an intervention/program will work across various states and locations Organizations that are ready and willing to engage in a longer financial due diligence process have the internal infrastructure to manage a higher administrative and financial management lift
Grants: Sub-Applicant	A sum of money given to an organization with restrictions but no requirement of a return. A sub-grant is funneled through another entity, often another nonprofit, who acts as the lead grant applicant. Sub-grantees bolster capacity or provide unique and/or complementary services that the lead organization cannot or will not provide.	Pros: Sub-grant applicants have fewer administrative duties and costs; Sub-grant applicants have a smaller and often more detailed intervention that they provide within the larger project Cons: Sub-grant applicants often have less power or sway over the intervention as a whole	Organizations that have well-proven, niche interventions that bolster the impact of other interventions Organizations that have a willingness to be a "supporting role" in a large project and work closely with partners Organizations that have flexibility to change as needed within the larger project Organizations that lack strong internal administrative capacity or are newly formed
Grants: Lead Applicant	A sum of money given to an organization with restrictions but no requirement of a return. A lead applicant applies on behalf of a cohort of partners and is responsible for steering the intervention/project. The lead applicant usually receives the larger share of the financial support, often with additional funds to cover the grant management work.	Pros: Lead applicants are held to the project/intervention's outcomes and are the key communicator with the funder Cons: Lead applicants are responsible for all reporting, fiscal oversight, and grant management, which includes ensuring that all partners are providing accurate and timely financial and outcome reporting, as needed	Organizations that have the willingness, patience, and capacity to lead Organizations that have the partnerships, buy-in, and administrative infrastructure to pull off a large project and manage all partners
Donor-Advised Fund (DAF)	A charitable investment account for the sole purpose of supporting charitable organizations that the donor would like to support. DAFs are managed by intermediaries and can be invested for tax-free growth. DAF managers understand what their donors care most about and recommend investments or contributions.	Pros: DAFs can be incredibly flexible, likely unrestricted, and likely require minimal reporting Cons: DAF managers can be hard to access; Donors have little to no tax incentives for moving their money out of a DAF	"Nice to have" projects or tangible, highly visible projects Organizations that have deep relationships with local donors
Giving Circle	A group of people with shared values who pool funding and collectively decide where to make gifts. Giving circles members support with funding, but can also build awareness, become board members, become volunteers, etc.	Pros: Giving circles may provide faster-deployed capital; Giving circle applications can result in new connections, volunteers, Board members, etc. Cons: Giving circles often have to take disparate opinions, values, and motivations of many individuals into one cohesive giving strategy, which can be difficult to understand and opaque in nature when scoring/ranking requests	Organizations that have a myriad of ways for people to get involved (volunteerism, Board service, etc.) Organizations that can meaningfully engage giving circle members
In-Kind Support	A non-monetary donation of goods, services, or property given to an organization or campaign rather than cash. These contributions are valued at their fair market value (what they would cost if purchased).	Pros: In-kind donations are often easier to secure; In-kind donations can significantly reduce pressure on a general operating budget Cons: In-kind donations of time may be difficult to track; In-kind physical donations can require additional infrastructure to manage	Organizations that need specific, physical goods or distribute goods to their communities Service-heavy organizations
Program Related Investment (PRI)	A loan, equity investment, or guaranty made by a private foundation to advance its mission. PRIs require repayment and/or a generated return on investment. PRIs come out of a foundation grantmaking budget and must follow specific IRS requirements. PRIs are often structured as loans or loan guarantees, equity investments, recoverable grants, linked deposits, etc.	Pros: PRIs provide flexible, long-term financial resources that may not be available through other channels Cons: Organizations have to be willing to be part of a longer due diligence process on behalf of the funder; Managing a PRI can be time-consuming and expensive for all parties, and interest rates vary	Organizations that have multiple tax designations or subsidiaries with different tax designations. PRIs can be made to any type of recipient (nonprofits, businesses, social businesses, government, and individuals), and used to advance any approved charitable purpose Organizations that generate revenue and can realistically repay a loan-type investment
Mission Related Investment (MRI)	An investment that furthers the philanthropic mission of the foundation AND seeks to generate a competitive rate of return. Similar to a PRI, an MRI can be made in any asset class; however, unlike a PRI, an MRI will not count toward a foundation's annual payout requirement. An MRI is any investment in which the investor intends to generate both a social impact return and a financial return, so that the ultimate goal is not exclusively about profit.	Pros: MRIs provide access to capital beyond traditional grants and are often flexible, long-term financing; MRIs can support early-stage or high-risk, high-reward projects that might be ill-suited for other funding types Cons: MRIs can require complex financial and legal monitoring, as well as significant staff time	Organizations that are well-established and can realistically repay a loan-type investment, as MRIs are typically expected to generate a near-market-rate return Organizations with proven, scalable models and strong fiscal and legal governance
Endowment	Endowments may generally be described as assets set aside so that the original assets grow over time as a result of income earned from interest on the invested funds. Endowments are commonly used by large institutions, but can be used by any nonprofit. There are 6 types: True, Restricted, Unrestricted, Term, Quasi, and Micro.	Pros: Endowments can provide autonomy and financial sustainability; Endowments also signal a strong commitment to long-term service Cons: Endowments require careful management, administrative upkeep, and Board buy-in; Some communities view the use of endowments as "hoarding" resources that would be best used immediately	Organizations that are able to build strong infrastructure to manage an endowment Organizations with long-term missions that will be needed for generations
Corporate Sponsorship	A payment made by a corporation to a nonprofit to further the nonprofit's mission. This is generally recognized by the nonprofit through an acknowledgment that the business has supported its activities, programs, or a special event.	Pros: Corporate sponsorships can be flexible funding Cons: They may require deep relationship building and often require recognition of the corporation's gift	Organizations with highly visible, tangible services, which impact the community served by the corporation Organizations that have the capacity to develop a strong, written sponsorship agreement that outlines both parties' expectations, obligations, and deliverables Organizations with a strong social media presence or outreach potential
Individual Giving	Any monetary donations made directly to a nonprofit organization by private individuals.	Pros: Individual donations are highly flexible, typically unrestricted funding Cons: Successful stewardship often require a giving program with dedicated internal staff and administrative support	Organizations that are willing to start and maintain a giving program Organizations with highly visible work that can break down their needs into campaigns, pushes, or giving projects
Congressionally Directed Spending (CDS)	A funding award from the federal government for specific, high-impact projects or capital needs. This is also referred to as direct appropriations or earmarks and can be provided to nonprofit organizations, as well as state, tribal, and local governments.	Pros: CDS-funded projects showcase your work to a wider audience, as Congressional offices often publicize the grantees; CDS can provide higher amounts of one-time capital injections Cons: Successful CDS requests are heavily dependent on the current political climate, the priorities of your representatives, available federal resources, and relationships with Congressional offices; There are also federal compliance considerations	Organizations with capital projects that require major funding to get started or high-impact projects that require a one-time infusion of funding Projects that align with the current administration's goals
Earned Revenue	Revenue generated by selling goods or services related to an organization's mission (e.g., ticket sales, training fees, product sales) rather than through donations or grants.	Pros: Earned income is unrestricted and highly flexible Cons: An organization must consider whether it has the appropriate means and capacity to generate revenue in this way	Organizations that have specific goods or services that fit the model Organizations that understand their potential market, can build a reputation, and can continually manage this revenue stream
Venture Philanthropy	Support based on the principles of venture capital, including hands-on support and long-term partnership, applied to solving social challenges instead of scaling businesses. Venture philanthropy can be a combination of grants, advisory support, low-interest loans, recoverable grants, equity for hybrids, etc.	Pros: Venture philanthropy can allow a nonprofit to benefit from the specific expertise, relationships, and financial support of well-placed partners; Venture philanthropists are often willing to invest in high-risk, high-reward ideas that are untested Cons: These projects can require an organization to cede some autonomy and can require a significant amount of staff time, effort, and reporting	Organizations that have a scalable model but need capacity-building support, such as leadership coaching, operational support, or infrastructure growth Organizations that generate revenue and can realistically repay a loan-type investment Untested high-risk, high-reward projects that could have significant impact if successful
Impact Investing	An investment strategy that aims to generate measurable social or environmental benefits alongside financial returns. This approach aligns with the objectives of many nonprofit organizations, enabling them to seek investments from individuals or groups interested in their cause.	Pros: Investors are often highly mission-aligned and willing to invest in projects with high risk potential or that require flexible repayment structures Cons: It is often difficult to properly measure the exact social or environmental impact, and there is high variation in the field	Organizations that generate revenue and can realistically repay an investment Organizations that are addressing large-scale issues and/or projects in emerging markets