

## ANONYMOUS TRUST

### CHALLENGE GRANT GUIDELINES

The Anonymous Trust has developed several guidelines for you, our Grantees, to follow when you are working to meet an Anonymous Trust Challenge Grant. Unless otherwise agreed upon in writing by you and an Anonymous Trust Trustee or Debbie Aiken, the Executive Director, you should comply with the following guidelines when you accept a Challenge Grant. We hope these guidelines will be helpful to you in determining eligible challenge grant funds.

- 1) All challenge grants are issued to both the Executive Director/CEO and the Board Chairperson or Board President. In preparation for the challenge grant, an Anonymous Trust staff member will meet with both the agency's Executive Director/CEO and its Board Chairperson to review potential challenge grant terms in advance of this being presented to the Anonymous Trust Board of Trustees.
- 2) All challenge grants are **all-or-nothing**, meaning unless you reach the stated financial goal, you will not receive any funds from the Anonymous Trust.
- 3) It is the goal of Anonymous Trust that the challenge grant can be leveraged to help the organization expand its donor base. Anonymous Trust prefers that the challenge is met with multiple qualifying donations rather than a single donor.
- 4) **"In-kind contributions"** do **not** count toward the challenge goal, except in the case of a challenge grant specifically designated as a "capital campaign challenge grant." For such a capital campaign challenge grant, the value of an in-kind donation of property can be included in the challenge goal if the donation meets one of the following conditions:
  - (i) the donation is real property for anticipated use by the agency in providing its services and the valuation of the property can be readily determined by a recent appraisal or other documented means (for example, a detailed market comparison); or
  - (ii) the donation is personal property that is being installed as a fixture in a building used by the agency in providing its services and the retail value of the property can be readily obtained. Services related to the property do not count towards the challenge grant match. For example, the value of legal services in purchasing real property cannot be included. An example of a personal property donation that can be included is the donation of a heating ventilating and air conditioning system ("HVAC") for use in a shelter operated by an agency. In this instance, the value of the HVAC system can be counted towards the match, but the value of the services used to install the system cannot.
- 5) **Government funds** do **not** count toward the challenge goal.
- 6) **Membership dues** do **not** count toward the challenge goal.
- 7) **"Increased gift from an existing donor"** is defined as the incremental portion between an existing donor's last gift and the donor's current gift. For example, if Generous Ginny gives \$100 in Feb. 2020 and then gives \$150 in Jan. 2021, then the amount that can be counted toward the challenge grant is \$50.

However, if a donor gives the agency multiple gifts in a challenge year, the “increased gift” for purposes of the challenge grant is the difference between the total of this year’s gifts and last year’s gifts. For example, Generous Ginny gives Agency \$100 in Jan. 2020. Then in Jan 2021, Generous Ginny gives Agency another annual gift of \$100. AT awards Agency challenge grant with challenge period of Sept. – Dec. 2021. Generous Ginny would like to help them meet the challenge and gives another \$75 in Oct. 2021. Obviously, this is not an increase over her last gift of \$100. However, her total gift in 2021 is \$175 as compared to her gift of \$100 in 2020. In this case, the amount of the increased gift that would count toward the challenge grant is \$75.00.

- 8) **“Funds from lapsed donors”** are defined as funds received during the challenge period from a donor who has not given in the previous **eighteen months**. For example, if Benevolent Ben made a gift of \$75 in February 2020 and makes his next gift of \$100 in December 2021 – during the challenge period, the amount to be counted is \$100, as he would be considered a lapsed donor. However, if Ben made his 1<sup>st</sup> gift of \$75 in Feb. 2020, and made his next gift of \$100 in Jan 2021, during the challenge period, the eligible amount to be counted toward the challenge is \$25. (He is a donor of increased funds.)
- 9) **Funds from unidentified sources** - Because the Anonymous Trust issues challenge grants in large part to help agencies grow their donor base, an agency needs to be able to identify the donor and the amount of the gift so it can enter this information in its data base and stay connected with the donor. Therefore, generic funds that are collected from an event will not count toward the challenge grant unless they can be tied back to a specific donor and adequate contact information has been provided. For example, your agency hosts a basketball tournament during the challenge period and asks for a donation at the door. If your agency raises \$150 dollars in cash from unknown attendees, none of the \$150 will count toward the challenge grant amount, since you will have no names or gift amounts to add to its data base. However, if \$80 of the \$150 is paid by check and your agency now has a name and address of the donor, then \$80 of the \$150 may be counted toward the challenge – if it is either a new or increased gift or gift from a lapsed donor.
- 10) **Firm written pledges** received during the challenge period and payable by the end of the calendar year will count toward the challenge goal. In a capital campaign, pledges may be paid over a period of two years.
- 11) In the case of **multiple year pledges for annual campaigns**, the amount of the first-year pledge may be counted toward the challenge grant. For example, if Generous Ginny pledges \$100/ year for three years, only \$100 of the pledged amount can be counted toward the challenge amount.

DMA

(Revised 9/1/21)