

# The 9 Philanthropic Wealth Management Guideposts for Nonprofit Institutions

At Wells Fargo Philanthropic Services, we are committed to providing you with informed perspectives and tailored approaches to your needs and concerns. As your trusted Philanthropic Advisor, we begin with a deep understanding of your organization's goals and then apply appropriate solutions to help achieve those goals. Together, we explore your organization's needs regarding these 9 philanthropic guideposts and work to help you build your organization's philanthropic legacy.

## 1. Understand and pursue your organization's values, mission and vision

- Define the goals your organization aspires to achieve
- Confirm the goals align with your organization's values, mission and vision
- Develop a three- to five- year plan to achieve the goals

## 2. Assemble a team of professional advisors; look for:

- Philanthropic Advisors who understand and work with similar groups for administration, governance, investment management and grant-making
- Investment Management Advisors with philanthropic investment expertise who are familiar with your legal, tax and accounting issues and coordinate with your other advisors
- Legal and Tax Advisors who understand the financial reporting required for your type of nonprofit and who can communicate the necessary compliance and audit information to your Executive Director, Board and Finance Committee
- Advisors who can help you do due diligence and manage specialty gifts such as real estate and closely-held business interests

## 3. Manage your assets effectively

- Define how your organization's assets will support the organization's overall goals
- Understand your Finance Office, Board and Investment/Finance Committee's tolerance for market fluctuations and identify plan to comply
- Determine whether you wish to pursue mission-related investing for a closer connection between your mission and your financial resources
- Review your investment policy statement regularly and discuss how it matches the objectives and perspectives of the various members of constituencies your organization
- Explore how to use debt as a potential advantage to achieve your goals and desires
- Develop plans to safeguard your human, financial and capital assets and decide when and how to use insurance to help achieve these goals

## 4. Manage cash flow needs

- Determine your current and future cash flow needs and monitor for appropriate liquidity
- Continually update your spending policy to ensure the long-term health of your endowment
- Coordinate fundraising efforts with long- and short-term cash flow needs

## 5. Coordinate administration

- Gain efficiencies and free up valuable staff time by outsourcing some or all of the administration of donor reporting, tax, and financial information

- Update your gift acceptance policy to address all assets you wish to accept, such as real estate and business interests

#### **6. Balance fundraising priorities**

- Assess how current and future needs influence your fundraising efforts
- Analyze the productivity of your fundraising

#### **7. Board governance**

- Review your committee structure to ensure that it fits with the goals of your strategic plan
- Engage board member's talents to properly align with the organization's goals
- Continually maintain and foster the relationship of the Board and Executive Director

#### **8. Manage your reputation risk**

- Determine the risks within your community and beyond
- Assess how well your financial and human resources match the reputation you wish to maintain or strive to attain

#### **9. Create sustainability**

- Evaluate how well financial and human resources align to sustain and grow your organizational mission
- Evaluate how major changes to your Board, your staff or your supporters could impact your organizational mission
- Create a business continuation plan that would address critical changes in availability of technology, financial and human capital resources
- Design your employee benefits to align with your mission and values

**Investment and Insurance Products:** ▶ NOT FDIC Insured ▶ NO Bank Guarantee ▶ MAY Lose Value

Wells Fargo Wealth Management and Wells Fargo Private Bank provide financial products and services through various affiliates of Wells Fargo Bank, N.A.

Wells Fargo & Company and its affiliates do not provide legal advice. Please consult your legal advisors to determine how this information may apply to your own situation. Whether any planned tax result is realized by you depends on the specific facts of your own situation at the time your taxes are prepared.

© 2012 Wells Fargo Bank, N.A. All rights reserved.