

GLOSSARY OF TERMS & PHRASES

Frequently Used in Trust-Based Philanthropy

trust-based
philanthropy
project

CONVENTIONAL PHILANTHROPY:

The predominant culture and practices of western philanthropy, often heavily informed by the banking, private equity, and venture capital industries, and usually tied to significant monitoring and oversight from funders.

DOING THE HOMEWORK:

One of the key practices of trust-based philanthropy that encourages funders to take on the onus of getting the information they need without overburdening nonprofits. This includes being proactive about getting to know prospective grantees, keeping up with current grantees' work, and studying the broader ecosystem within which you fund without requiring unnecessary time and energy from nonprofits. ([See guide here.](#))

DUE DILIGENCE:

The process of assessing a potential grantee organization's financial, organizational, legal, and reputational standing to determine whether or not to proceed with a grant award. Trust-based due diligence diverges from conventional due diligence by challenging conventional assumptions about risk and inviting curiosity about ways funders can use their power, access, and resources to support or alleviate perceived weaknesses and opportunities.

MUTUAL ACCOUNTABILITY:

The condition of funders and nonprofits holding one another responsible for their actions, commitments, and decisions, and being willing to communicate with transparency when changes or shifts may occur that may affect the other. In trust-based philanthropy, mutual accountability is reinforced by a shared sense of responsibility to the communities being served.

POWER-CONSCIOUSNESS:

The state of being aware of one's own power and privilege, and being mindful of any actions or requests that may cause harm, stress, or a sense of obligation from a person who has less power and privilege in the relationship.

RELATIONAL RIGOR:

The understanding that establishing and maintaining trust-based relationships is a necessary aspect of effective philanthropy, requiring:

- 1) Constant cultivation and care
- 2) Ongoing self-reflection about how power shows up in relationships
- 3) Willingness to receive and respond to sometimes difficult feedback

RETURN ON RELATIONSHIP:

A reframe on "return on investment," this concept invites funders and donors to consider indicators of success that are directly attributable to the funder-grantee relationship. This includes things such as: more profound learnings, heightened trust and transparency, mutual accountability between funders and nonprofits, a deeper sense of connection to the work being funded, and happier and more joyful interactions.

RISK CAPITAL:

The idea that social sector work is inherently unpredictable, and as a result, funders should not expect predictable outcomes or impact as a result of their grant funding. Another way to think about this is that philanthropy's work is inherently about investing risk capital in supporting the vision of communities most proximate to the issues they seek to address.

THE SIX PRACTICES:

Also known as the six principles, this refers to the six grantmaking practices of trust-based philanthropy:

- 1) Give multi-year unrestricted funding
- 2) Do the homework
- 3) Simplify and streamline paperwork
- 4) Be transparent and responsive
- 5) Solicit and act on feedback
- 6) Offer support beyond the check

While these are central to a trust-based grantmaking approach, it is important to note that the work of trust-based philanthropy goes deeper than grantmaking alone – it also includes a deeper look at philanthropic cultures, structures, and leadership ([see TBP in 4D](#)).

TBP IN 4D (Trust-based philanthropy in four dimensions):

refers to the overarching framework of trust-based philanthropy that involves using trust-based values to inform four key aspects of philanthropic operations:

- 1) Grantmaking practices
- 2) Structures (hierarchies, systems, protocols, policies)
- 3) Cultural norms and general way of being
- 4) Leadership (especially with regards to executive and board roles)

TRUST-BASED PHILANTHROPY:

An approach to giving that alleviates the inherent power imbalances between funders, nonprofits, and communities.

TRUST-BASED VALUES:

Fundamental beliefs, rooted in a commitment to redistributing power in service of a healthier and more equitable society, that drive an individual or organization's attitudes, priorities, and actions.

TRUSTWASHING:

The misappropriation of trust-based philanthropy, often reduced to more tactical or subjective interpretation of “trust” rather than embracing the ongoing, iterative work of aligning trust-based values to philanthropic behaviors, culture, structures, and practices. ([Read more here](#))

UNRESTRICTED FUNDING:

Grants or donations that allow the nonprofit to self-determine how the funds will be used, rather than being restricted or allocated to a specific purpose. Also referred to as core support, general operating support, and flexible funding, this type of support gives nonprofits the ability to plan ahead, be responsive to emergent needs, and cover other essential expenses that are rarely covered by project-specific grants.

Are you looking for a TBP-related definition that is not included above?

Let us know at hello@trustbasedphilanthropy.org