

Outcome-Based Grantmaking

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Agenda:

- Overview of Outcome Investing
- Benefits and Challenges
- Examples
- Key Tax Considerations
- Questions



Summary of Directly Applicable Law



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What is Outcome-Based Grantmaking?

• Is it . . .

- “results-based” grantmaking?
- “outcome investing”?
- “strategic grantmaking”?
- “incentive-based” grantmaking?
- “recoverable grants”?
- nothing more than good milestones?

• One possible definition:

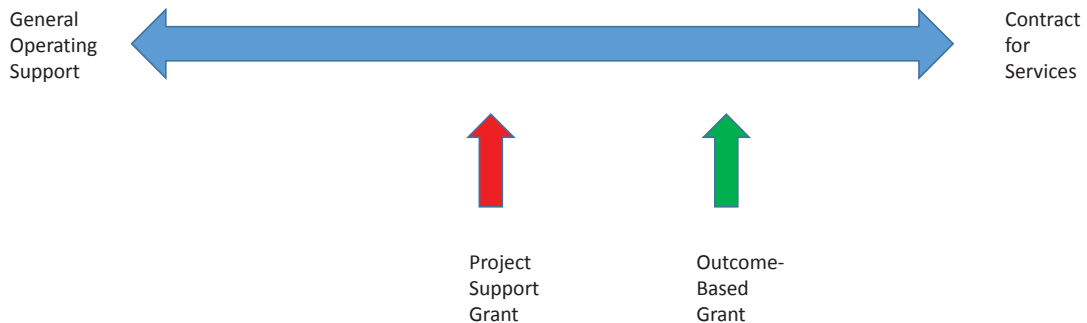
- *Incentivizing (or penalizing) a partner to achieve (or for the failure to achieve) **specific and measurable project outcomes**, often with grant funds directly linked to such outcomes.*

• Example:



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What is Outcome-Based Grantmaking in Relation to Other Types of Grants/Contracts?



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Benefits of Outcome-Based Grantmaking

- Early alignment with partner
- Clarity of expectations
- Measurable outcomes
- Stewardship of scarce resources
- Tool to incentivize grantees to exceed expectations or perform in a certain way

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Also available as part of the eCourse

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First appeared as part of the conference materials for the
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"Outcome Based Philanthropy: Thinking About and Measuring Impact in an Increasingly Complex World and Why It Matters"