

Unrelated Business Taxable Income (UBTI)

REFERENCES:

1. IRC §513(a) and Treas. Reg. §1.513-1(d)(2)
2. [UBTI Memo](#) from outside tax counsel
3. [GTLF Strategic Plan](#)

GTLF STRATEGIC PLAN & THE CASE FOR A NEW REVENUE MODEL:

In FY26, the Foundation launched a new strategic plan. At the heart of the plan is our belief that there is opportunity to build on our mission - improving lifetime earnings - by scaling our work and extending our influence. We propose to do this as follows:

1. Continuing to be the most effective ROI-focused, risk-tolerant, and collaborative grantmaker
2. Inspiring new donors to deploy capital to our high-impact investments
3. Leading an outcomes-focused philanthropy movement

With the following 4 3-Year goals:

1. **High-Impact Grantmaking:** Deploying at least **\$100M** in additional grants, while investing in approaches to reach 1000X impact
2. **Co-Investing:** Mobilizing at least **\$100M** in co-investment capital from partner foundations
3. **Inspiring Donors:** Motivating new, values-aligned donors to bring at least **\$25M** in capital off the sidelines and directly invest in GTLF's innovative approach
4. **Influencing the Sector:** Driving at least **\$300M** in philanthropic giving toward high-impact investments by equipping at least **15** funders with SROI-based tools and supports

GOAL #4 INFLUENCING THE SECTOR:

Over the past few years, we have set ourselves apart in the industry and become known for being an outcomes based funder that is highly oriented towards our north star ROI goal of increasing lifetime earnings at 100x for every \$1 invested. Because of this, many funders seek us out to learn more about our data-driven approach to funding. We have advised many of these organizations to date at no cost.

We strongly believe in our outcomes based approach and further believe that we have the potential to impact many more funders to approach grantmaking in a similar way, thus putting more dollars in the hands of those who need it most. However in order to continue to do this “influencing” work, we need additional revenue to cover the incremental cost and continue to invest in datasets, research, and audit practices that improve our practice.

Our solution is to launch a new advisory services model in which we help others in the philanthropy space by: 1) assisting them improve their own ROI methodology, 2) creating ROI models for them based on our methodology coupled with their datasets, &/or 3) providing ROI model validation and training services.

UBTI APPLICATION:

Based on our research to date (see references above), we believe that any income generated from the above activities will not be subject to taxation as unrelated business income as long as we can demonstrate that the activity is substantially related to our charitable mission and that any fees charged are reasonable. We consider these services substantially related to our mission because:

1. Our core mission as stated on our website, handbook, impact report, and other publicly available materials is to “improve people’s lifetime earnings through access to opportunities”. We believe that more ROI-focused grantmaking results in higher lifetime earnings and more opportunities for individuals making below a living wage.
2. We have demonstrated that we have a specific expertise in this space through our Impact Dashboards, which are publicly available with clear documentation as to our ROI methodology. This expertise has been validated via external sources including academic sources and our peer funders.
3. Our service pricing is based on our best estimates of what it will actually cost us to provide our services (labor and overhead) with some level of margin to cover the unknown and to continue to invest in tools to further our mission. We intend that our pricing model will evolve as we learn, iterate, and grow.