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Timely, relevant knowledge and tools for today's nonprofit professional.

NMI 106 Philanthropy and Fund Development

Version 1.0

A Professional Development Entity of the

ASU Lodestar Center
for Philanthropy & Nonprofit Innovation

ARIZONA STATE UNIVERSITY

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Course Overview

Description

Many nonprofit leaders, when asked what their greatest organizational challenge is, will answer, "Fundraising!" Changes in the global economy have focused our attention on the need for philanthropy and fund development more than ever. Join us to learn the basics of the fund development process and how to create a plan that will result in effective fundraising strategies for staff and volunteers – even in tough economic times.

Welcome and Introductions

About your instructor…

Clyde W. Kunz, CFRE is owner of Clyde Kunz and Associates, LLC, which for the past 10 years has provided organizational development and fundraising consultation services to non-profit organizations. Clyde began his work in the non-profit sector in 1987 after spending the first part of his career as a broker with an investment banking firm in California.

He has served as President of the Association of Fundraising Professionals, Southern Arizona Chapter; as Chair of LEAVE A LEGACY® Southern Arizona; and as President of the Planned Giving Roundtable of Southern Arizona.

In 2005 he was named "Outstanding Fund Raising Executive" by the Association of Fundraising Professionals Southern Arizona Chapter. He has lived and worked in both Tucson and Phoenix, and for a number of years has served on the Consultant roster of the Arizona Commission on the Arts, working with arts organizations throughout the state.

As a volunteer, Clyde currently serves on the national Board of the Episcopal Church Foundation, and as a member of the Board of the Women's Foundation of Southern Arizona.

Course Schedule

Friday: 9:00 a.m. – 5:00 p.m.
Saturday: 9:00 a.m. – 5:00 p.m.

Course Methods

Learning in this course will occur through your active participation in large and small group discussions. You'll also complete brief, un-graded exercises based on instructor-generated presentations, articles, case studies, and other Internet or media resources. As adult learners, you bring a rich array of prior knowledge, skills, and experience to build on and share with each other. Facilitating the exchange of new and existing information is a key method NMI instructors use to expand your learning and enable you to immediately apply that learning to your nonprofit organization and your career.

Course Map

Module	Learning Objectives / Outcomes
FRIDAY	
Introductions	▪ Introduce instructor and participants
Sources of Philanthropic Resources	▪ Describe the four main sources of philanthropic support and why you should focus on developing relationships with individuals.
Break	
Case Statement	▪ Write a compelling case statement and an effective "elevator speech."
Lunch	
Creating a Development Plan: Goal Setting	▪ Assess an organization's development program and then develop goals, manageable objectives and specific actions to implement an annual fund campaign.
Break	
Staffing a Development Program	▪ Create a development plan that engages staff, board members, and volunteers effectively.
Creating a Development Plan: Budget, Staff, Calendar	▪ Evaluate the structure and staffing needs of the development department. ▪ Create a calendar of development activities for the year and an expense budget that supports the objectives and specific strategies of the plan.
SATURDAY	
Donor Motivation	▪ Segment and evaluate your organization's donor base to target specific groups of donors with philanthropic opportunities.
Donor Engagement	▪ Describe the "moves management" process and how to apply it to your organization. ▪ Create a donor pyramid for their organization's development program.
Break	
Giving Trends	▪ Apply a variety of development approaches to various segments of donors based on generation, ethnicity and gender. ▪ Explain the benefits and drawbacks of using technology for fundraising.
Lunch	

Module	Learning Objectives / Outcomes
Donor Stewardship	▪ Explain and adapt at least 5 different methods of stewarding donors in your organization.
Making the Ask	▪ Make effective solicitations by way of phone, letter, or personal meeting.
Break	
Ethics	▪ Describe several common ethics violations in fundraising and know how to find credible resources for resolving them.
Course Wrap-Up	

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Learning Objectives

After taking this course, you will be able to do the following:

- Describe the four main sources of philanthropic support and why you should focus on developing relationships with individuals

- Write a compelling case statement and an effective "elevator speech"

- Assess an organization's development program and then develop goals, manageable objectives and specific actions to implement an annual fund campaign

- Create a development plan that engages staff, board members, and volunteers effectively

- Evaluate the structure and staffing needs of the development department

- Create a calendar of development activities for the year and an expense budget that supports the objective and specific strategies of the plan

- Segment and evaluate your organization's donor base to target specific groups of donors with philanthropic opportunities

- Describe the "moves management" process and how to apply it to your organization

- Create a donor pyramid for your organization's development program

- Apply a variety of development approaches to various segments of donors based on generation, ethnicity, and gender

- Explain the benefits and drawbacks of using technology for fundraising

- Explain and adapt at least 5 different methods of stewarding donors in your organization

- Make effective solicitations by way of phone, letter, or personal meeting

- Describe several common ethics violations in fundraising and know how to find credible resources for resolving them

My personal learning objectives:

_____

_____

_____

_____

_____

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Defining Philanthropy

Introducing Course Participants

Pair Share with a Neighbor…

- Your name

- Your title

- Your organization

- What is your definition of Philanthropy?

Philanthropy: _____

_____

_____

_____

- What do you want to learn about philanthropy and fund development by participating in this course?

_____

_____

_____

_____

Definition of Philanthropy

What do experts say?

_____

_____

_____

_____

_____

Nonprofit Financial Model
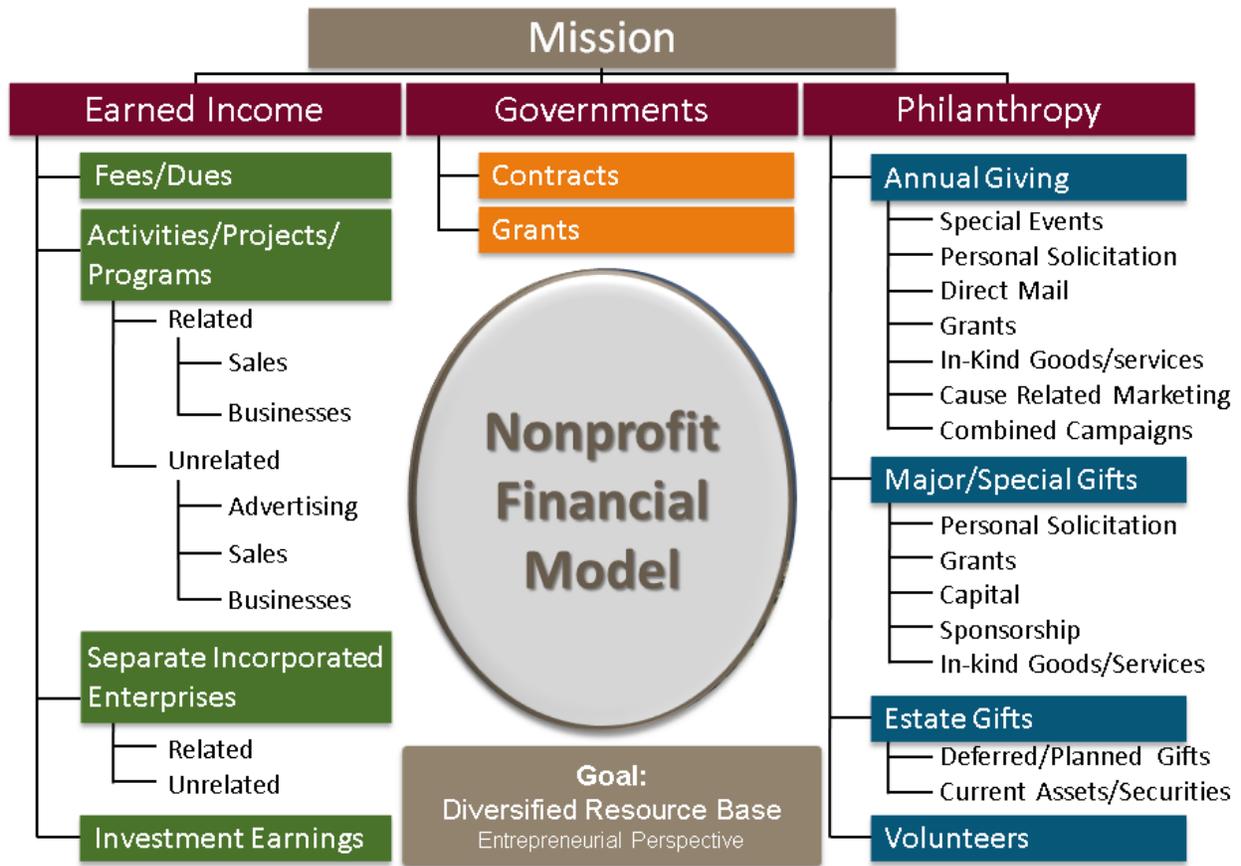
2011 Charitable Giving – Total = $298 billion

- Individuals

  $ _____

  _____ %

- Benefits

  $ _____

  _____ %
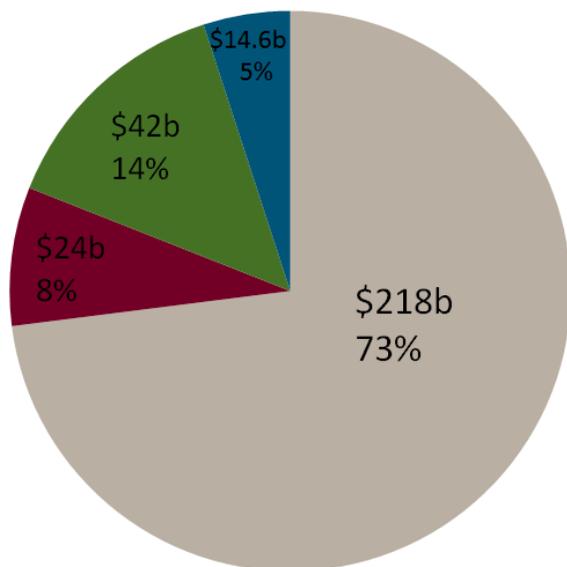
- Foundations[*]

  $ _____

  _____ %

- Corporations

  $ _____

  _____ %

_____

_____

_____

_____

*The giving by foundations estimate is provided by the Foundation Center.

Source: *Giving USA Foundation™* / **GIVING USA 2011**

What Do the Numbers Mean?

The recovery of annual giving by Americans is very slow	The consecutive declines in 2008 and 2009 deepest drops in the 50-plus year history of tracking	The slow economic recovery could mean 2016 is first year that giving rebounds to prior levels
Persistence in continuing fundraising efforts pays off	Relying on most generous loyal donors works	Recession caused us to look at program deficiencies
Looking at board makeup to put less value in "high-powered" names	More effort into reaching out to donors in person	Providing donors with inside scoop & behind the scenes experiences

Types of Recipients of Contributions, 2010 — Total = $290.89 billion

- International Affairs
  - $15.77
  - 5%

- Environmental/Animal Rights
  - $6.66
  - 2%

- Health
  - $22.83
  - 8%

Human Services	Arts and Culture	Community Causes
○ $26.49	○ $13.28	○ $24.24
○ 9%	○ 5%	○ 8%
Religion	Education	Foundations*/Other
○ $100.63	○ $41.67	○ $33.00
○ 36%	○ 15%	○ 12%
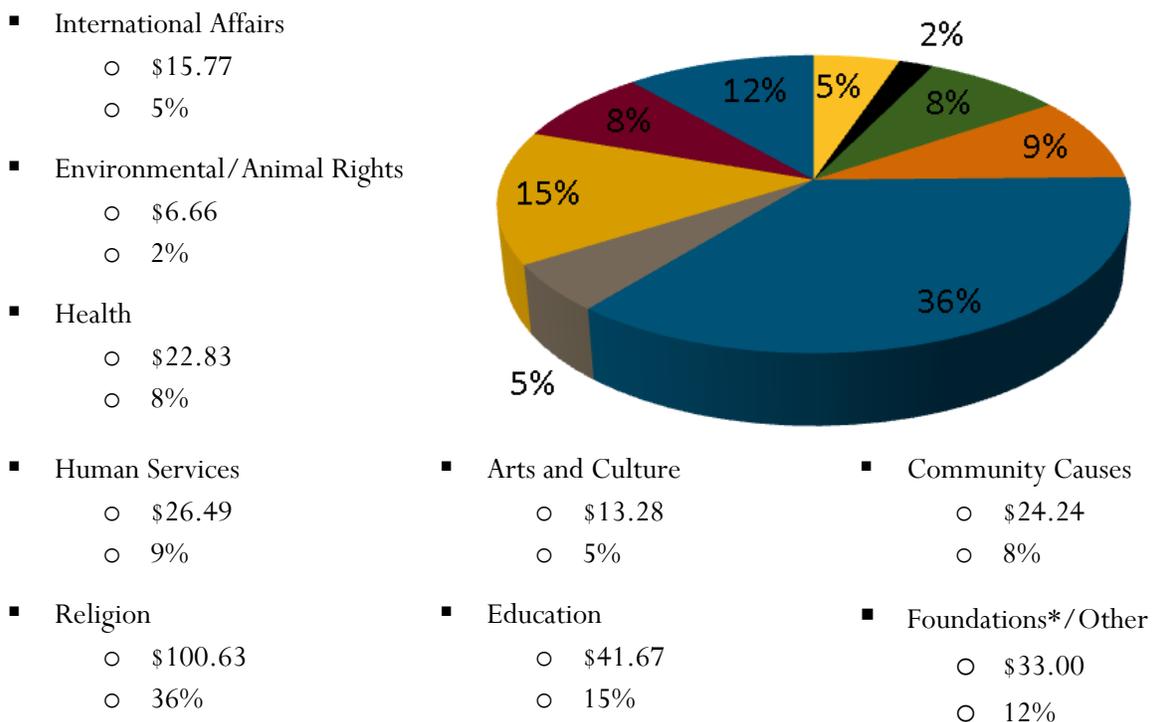
Includes rounding to get to 100%

* Estimate developed jointly by the Foundation Center and Giving USA

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Classic Case Statement – Christian Children's Fund Video

> " With a little spare change,
> you can change
> the life of a child forever. "
>
> Christian Children's Fund (1987)

_____

_____

_____

_____

_____

_____

_____

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Modern Case Statement – It Only Takes a Girl Video

_____

_____

_____

_____

_____

_____

_____

_____

Zig Ziglar, Sales Guru
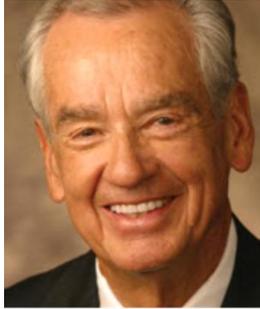
> "The drill is the feature; the hole – the end result – is the benefit."
>
> http://www.ziglar.com

Write a One-Line Case Statement

Based on the examples viewed in class, and the discussion, write a one-line case statement for your organization, or an organization with which you are familiar.

_____

_____

_____

_____

Creating a Development Plan: Goal Setting

Laying the Groundwork for the Annual Plan

Background

Before an organization attempts to chart its future, it must determine where it currently stands. The mechanism used to gauge conditions inside and outside the organization, answering the question "Where are we now?" is the internal /external assessment, a basic management tool used not only in strategic planning, but also in policy development and problem solving. It provides a baseline assessment of the organization.

The process of conducting an assessment is often referred to as a *SWOTT Analysis* because it involves reviewing an organization's *internal* **S**trengths and **W**eaknesses and *external* **O**pportunities, **T**hreats, and **T**rends. The data gathered during the assessment will often lead to identifying strategic issues for the organization to address.

The SWOTT analysis – not of the entire organization, but of the <u>fund development operations</u> of an organization – can be a helpful step in the process of conducting an internal development assessment, as background information for creating a development plan.

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Conducting an Internal Assessment

The internal assessment, also called a situation inventory, identifies the organization's strengths and weaknesses and evaluates capacity to respond to issues, problems and opportunities. It also reveals the paradigms (patterns or beliefs) and values that comprise the organization's current principles and that drive (or disrupt) current operations. It throws light on administrative or managerial policies and procedures that help or inhibit quality.

Conducting an External Assessment

The external assessment, or environmental scan, identifies the opportunities and threats that are present in the current environment and anticipates changes in the future environment. This portion of the SWOTT provides an essential backdrop for strategic planning and policy development.

Many external factors may influence an organization and its mission. When analyzing opportunities and threats, consider the following:

- political climate
- government
- economy
- demographics
- human resources

- technology
- marketplace
- tradition
- physical conditions
- public opinion

Complete a SWOTT Analysis of your nonprofit organization or one you are familiar with. Provide 3 or more strengths, weaknesses, opportunities, threats, and trends in the matrix below.

Internal	Strenghts	Weaknesses
External	Opportunities	Threats
Trends		

_____

_____

_____

_____

_____

_____

_____

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Resource Development Assessment

Audit (analyze) an organization with which you are familiar, complete a brief assessment of each function in that program, and be prepared to share with the large group.

Introduction

This abbreviated version of the Resource Development Assessment questionnaire is designed to provide an organization with a quick, graphic profile of its potential to compete in the philanthropic marketplace. It is *not meant to be a substitute* for an in depth analysis of an organization's capacity to raise money. Normally, an expanded version is administered by professional counsel to a study group composed of the CEO, development staff, select board members and key volunteers. However, in its current format, it will suggest where strengths and deficiencies lie within your resource development program.

Ten key areas have been selected for this brief investigation. These are areas known to have considerable impact on the success or failure of fundraising programs. There are no right or wrong answers, only your judgment as to conditions that currently exist within your organization.

Each of the numbered statements is to be rated either as *Below Average, Average*, or *Above Average*. These conditions correspond to a numerical scale of 1, 2, or 3 respectively. After you have made your assessment, place the numerical value in the grid adjacent to each statement.

After completion of each section, add the sub-totals to derive a cumulative score. Then transfer the cumulative score from each key area to the Resource Development Profile.

Instructions

Assign a numerical rating to each item:

3 = Above Average, 2 = Average, 1 = Below Average.

After completing each section, add the sub-totals to derive a cumulative score. Then transfer the cumulative score from each grid to the Resource Development Assessment Profile.

A word of caution: *Because every development effort responds to a unique set of circumstances, e.g. popularity of cause, staff expertise, budget, etc., some of the questions may not apply to you. If so, for purposes of this exercise, substitute another question you believe to be relevant.*

Fundraising Environment	Above Average	Average	Below Average
1. External: capacity to compete with other nonprofit organizations performing similar services within service area			
2. External: corporate gift potential within your geographic locale			
3. Internal: the board and volunteer leadership support for the resource development program			
4. Internal: office space and equipment to conduct business (e.g. fax, computers)			

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Donor Research	Above Average	Average	Below Average
5. Availability of reference materials including on-line capacity to conduct donor prospect research			
6. Prospect gift evaluation procedures			
7. Ability to retrieve donor gift data			
8. Frequency of gift analysis reporting			

Fundraising Techniques	Above Average	Average	Below Average
9. Effectiveness of board and volunteers in conducting face-to-face solicitation			
10. Dollars raised by special events			
11. Dollars raised by telephone solicitation			
12. Dollars raised by direct mail program			

Fundraising Aids	Above Average	Average	Below Average
13. A case statement for support is available (do not have one = 1; in the works = 2; complete = 3)			
14. Caliber of written proposals to solicit contributions			
15. Capability of software packages in preparing proposals, acknowledgments, and statistical reports			
16. Availability of training materials to assist volunteers participating in fundraising program			

Leadership	Above Average	Average	Below Average
17. The access board members have to funding source			
18. The board's understanding of the resource development process			
19. The board's participation in soliciting gifts			
20. The board's percentage of gift participation in reaching annual goal (Below = less than 25% participate; Average = 25 to 75%; Above = more than 75% participate)			

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Volunteers (non-board members)	Above Average	Average	Below Average
21. Availability of volunteers to help solicit gifts			
22. Effectiveness of the volunteer orientation and training program			
23. Volunteer's percentage of gift participation in reaching annual goal (Below = less than 25% participate; Average = 25 to 75%; Above = more than 75% participate)			
24. The recognition program for volunteers contributing their services			

Staff	Above Average	Average	Below Average
25. Development staff experience at designing and conducting fundraising programs			
26. Chief development officer reports directly to the organization's chief executive officer (No = 1; Sometimes = 2; Yes = 3)			
27. Chief development officer has access to the board regarding resource development matters (Never = 1; Seldom = 2; Frequently = 2)			
28. Extent of development officer's opportunity to enhance fundraising skills through workshops, seminars, and conferences			

Public Relations	Above Average	Average	Below Average
29. The access your organization has to the communications media			
30. The procedures to release information to the local newspapers, periodicals, and electronic media			
31. Name recognition organization has in the community			
32. Your organization's image in the community (Poor = 1; Good = 2; Excellent = 3)			

Planning	Above Average	Average	Below Average
33. Frequency of reviewing fundraising plan to determine its effectiveness			
34. Involvement of key leadership in planning (CEO, development staff, selected board members and key volunteers)			
35. The budget allocation to support the plan			
36. The effectiveness of your current fundraising			

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Resource Attraction	Above Average	Average	Below Average
37. The overall ability of your organization to attract gifts from individuals			
38. The overall ability of your organization to attract corporate gifts			
39. The overall ability of your organization to attract gifts in-kind			
40. The overall ability of your organization to attract gifts from private foundations			

Goals, Objectives and Action Plans

Goals

Defining Goals

Goal: The desired end result of a series of sequenced, intentional actions, generally after three or more years. Goals are also known as Key Result Areas.

- Goals imply that something needs to change. They are general. They describe organizational movement.

- Goals describe areas of opportunity or concern that are important to the organization.

- Goals are more specific than the mission statement, but remain general enough to stimulate and allow creativity and innovation.

- Goals represent strategic direction for the whole organization.

- Goals provide a framework for more detailed levels of planning.

Answer the following questions to help you develop your goals:

1. What broad areas within your nonprofit organization's environment could either create dramatic success or spell failure during the planning period?

_____

_____

_____

_____

_____

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2. What is the "current state" of the organization in this area of concern? What will the area of concern look like when you've made the necessary change? This is sometimes called the "desired state."

    _____

    _____

    _____

    _____

    _____

    _____

    _____

3. If you succeed in creating your nonprofit organization's vision of the future in this goal / key result area, what will the world look like?

    _____

    _____

    _____

    _____

    _____

    _____

    _____

4. Who, by name, will champion the overall direction and effort of this goal?

    _____

    _____

    _____

    _____

    _____

    _____

    _____

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Evaluating Goals

Use the following criteria to help you evaluate the quality of the goals you develop:

Effective goals will:

- Be in harmony with, and clarify, the organization's vision, mission and values

- Fulfill, or contribute to fulfilling, the mission of the organization and programs

- Address priorities and the results of the internal/external assessment and may be developed in response to strategic issue

- Tend to remain essentially unchanged, until there is a shift in the environment under which they were created, or, as in the case of a strategic issue, the desired outcome has been achieved

- Normally encompass a relatively long period; i.e., at least three years or more. If an organization-wide goal can be accomplished in fewer than three years, it may describe something that has a lower position in the hierarchy… perhaps an objective or an action plan

- Address the gaps between the current and the desired level of service

- Chart a clear direction for the organization and programs, but will not set specific milestones or strategies. Objectives and action plans will do that

- Be challenging, but realistic and achievable

Examples

Goals that do NOT meet the criteria:

- To continue to serve our customers (Not challenging)

- To process intake records (Unclear purpose, more appropriate as an objective or action)

- To enter 50 volunteers in database by the end of the year (Too specific, short-term; more appropriate as objective or action step)

Goals that DO meet the criteria:

- To dramatically decrease the number of people who are homeless in our area

- To provide committed mentors for children in need

_____

_____

_____

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Defining Objectives

Objective: specific and measurable targets for accomplishing goals.

In contrast to goals, objectives are specific, quantifiable and time-bound statements of desired accomplishments or results. Objectives represent intermediate achievements necessary to realize goals. The real art of setting objectives is to create a challenging but achievable targets. The best objectives are those that stretch the capacities of people and programs but are, nonetheless, possible. This not only results in genuine improvement in programs and services, but also builds employee pride and confidence. Impossible performance targets, on the other hand, discourage employees, kill initiative and stifle innovation.

Criteria for Objectives

Good objectives will be **SMART**. That is, they will be:

S   Specific: Objectives state specific accomplishments or outcomes that are desired, not the ways to accomplish them. From objectives come specific strategies or actions that are detailed enough to be understandable and give clear direction to others on how the objectives might be accomplished.

M   Measurable: Objectives must be measurable to determine when they have been accomplished. In that way accountability is built into the planning process. A method for measuring an objective must be in place before work actually begins.

A   Aggressive but Achievable: If objectives are to be standards for achievement, they should be challenging, but should not demand the impossible. For example, it would be reasonable to reduce highway accidents but not to eliminate them. Objectives should also be consistent with available resources.

R   Results-oriented: Objectives should specify a result. For example, "Respond to 75% of all correspondence within 30 days with an annual average response of 21 days or fewer" Is termed a process measure. A better objective might be "to increase our clients" satisfaction of correspondence services by 50% as demonstrated by our annual customer services survey."

T   Time-bound: Objective are shorter than goals, but longer than action plans. Good objectives specify at least one year of activity but no more than is reasonable within your strategic planning horizon.

Formulating Objectives

1. Review the mission and goals

   - Has a clear mission for the organization or program been established?

   - Have clients and stakeholders been identified?

   - Is the intent of the goals understood?

2. Decide what results are wanted

- Has a clear mission for the organization or program been established?

- Have clients and stakeholders been identified?

- Is the intent of the goals understood?

3. Set a time frame for achieving results

- What is a reasonable period of time for achieving the desired results?

- How critical is immediate action?

- What are the opportunities to act now versus later?

- What are the consequences of action now versus later?

- Do grants or other federal or state guidelines

4. Build in accountability

- Review performance measures and targets already set for goals

- Identify additional performance measures for objectives, if appropriate.

- Determine performance targets for each objective.

- Assess how progress will be measured

- Organize to gather appropriate information

Examples

Objectives that are DEFINITELY NOT SMART

- To reduce processing time. (Not specific, measurable, or time-bound.)

- To eliminate poverty. (Too broad, not realistic.)

- To complete 3,000 intakes and 250 volunteer interviews. (Actually two objectives, not time bound)

Objectives that MAY BE SMART:

- To reduce by 5% the average cost of processing new hires by June 15, 20xx.

- To reduce poverty in our area by 5% in FY 200xx.

- To increase the number of volunteers within the agency by 250 during FY 20xx.

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Defining Action Plans

Action Plan: A detailed description of the strategies and steps used to implement a strategic plan.

Action plans spell out the details of the methods, or strategies, that will be used to accomplish the objectives, goals and missions of the organization and its programs. Tasks and responsibilities are outlined in SMAART (specific, measurable, aggressive but achievable, results oriented and time-bound) steps. Action plans should contain as much detail as each level of management feels is important. The employees, or individual, responsible for implementing and reporting each objective will need the most detail. However, upper management may only want to know that the objective is being implemented on schedule and not want to know the status of each step.

Formulating Strategies

In order to build an action plan, managers, supervisors and other key staff members must determine how to achieve the desired results. The costs, benefits and possible consequences of alternative courses of action, or strategies, must be evaluated. The most effective and efficient strategies should be selected. Researching successful programs in other organizations, both local and out of state, can prove helpful. Private-sector organizations are also a good source of information.

Before a decision is made regarding the course of action that will be taken, each strategy must be weighed. The following questions can be used as a test of each suggested alternative.

- If this course of action is implemented, is it plausible that the objective will be reached?

- What are the anticipated costs and benefits of this course of action?

- Will this course of action have a positive or negative impact on any other objectives?

- Is this objective dependent upon the successful implementation of any other objective?

- Is the organization organized to implement this course of action? If not, what must be changed to accommodate implementation?

- If changes are necessary, how long will they take? Are there other constraints that will occur as a result?

- Once implemented, will procedural changes be required? If so, what impact will they have on the organization?

- What are the steps to implement this course of action and how long will each step take?

Resource Allocation

The resources that will be needed to implement various strategies must also be considered. To avoid creating unrealistic expectations, planning decisions must be grounded in fiscal reality.

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Goal – Provide Enhanced Services and Stay Progressive

Provide enhanced services and stay progressive by obtaining and retaining the human resources necessary to accomplish our mission.

Objective 1 – By Jan 31, 20xx, establish the duties and develop a job description and job title for a paid Executive Director.

Actions to Take		
What needs to be done?	**Who is responsible**	**When will it be complete?**
1. Determine duties and develop a job description to determine the need for a paid Executive Director	Jade	Jan 31, 20xx
2. Recruit and fill the position of Executive Director	Jade and board subcommittee	Feb 28, 20xx

We know we have been successful when…

- ▪ We have a job description for a paid executive director.

- ▪ We have a paid Executive Director for the organization.

Objective 2 – By Jan 31, 20xx, expand the volunteer base to 50 volunteers, and be able to quickly identify the individual talents and skills of each volunteer.

Actions to Take		
What needs to be done?	**Who is responsible**	**When will it be complete?**
1. Establish and maintain a database of individual volunteer talents and skills.	Demetrius	Dec 31, 20xx
2. Market efforts through the Boards and Committees, Sponsors and benefactors and explain the need for an expanded volunteer base.	Chris	Jan 21, 20xx

We know we have been successful when…

- • We can easily identify and contact an individual or group of volunteers whose talents and skills match a particular organizational need.

- • We have doubled our volunteer base from 25 to 50 volunteers.

Use the following template for writing objectives and actions plans for your organization:

Goal – Increase giving fron $1.2 to $1.4 Million

Objective 1 – By _____ [date]

Description of objective: _____

_____

Actions to Take		
What needs to be done?	**Who is responsible**	**When will it be complete?**
1.		
2		

We know we have been successful when:

_____

_____

Objective 2 – By _____ [date]

Description of objective: _____

_____

Actions to Take		
What needs to be done?	**Who is responsible**	**When will it be complete?**
1.		
2		

We know we have been successful when:

_____

_____

Other Types of Campaigns

Capital Campaigns _____

Endowment Campaigns _____

Debt-Reduction Campaigns _____

Capitalization Campaign _____

Special Purpose Campaign _____

_____

_____

_____

In what ways do you think these other campaigns mights affect annual fundraising?

_____

_____

_____

_____

What are the pros and cons of doing them?

Pros   # Cons

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

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Explicit and Implicit Fundraising Roles

Who in your organization is doing development work? → Who ELSE in your organization… ← Welcomes people? Thanks people?

Triple A Fundraising Model

Grace, Kay Sprinkel. The AAA Way to Fundraising Success: Maximum Involvement, Maximum Results. 2009, Whit Press, Seattle, WA.

Ambassador

Advocate

Asker

_____

_____

_____

_____

_____

_____

_____

Write and Share

What types of volunteer fundraising work do volunteers in your organization do now?

_____

_____

_____

Are they effective?

_____

_____

How could they be more a part of the "team"?

_____

_____

_____

How can we train volunteers to understand their roles as an integral part of the overall development plan?

_____

_____

_____

Third Party Fundraising

What are the pros and cons?

<table>
<tr><td align="center"># Pros</td><td align="center"># Cons</td></tr>
<tr><td>_____</td><td>_____</td></tr>
<tr><td>_____</td><td>_____</td></tr>
<tr><td>_____</td><td>_____</td></tr>
<tr><td>_____</td><td>_____</td></tr>
<tr><td>_____</td><td>_____</td></tr>
</table>

What are some ways a nonprofit organization can encourage this fundraising while maintaining control of the organization's image, ensuring fiscal responsibility for the event, etc.?

_____

_____

_____

_____

_____

_____

_____

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Building a Development Budget – Pet Rescue Budget Projection 201Y

Budget Categories	201X Actual	201Y Proposed
Development Revenue		
Corporate Contributions	$32,000.00	
Individual Contributions		
Board of Directors	$105,000.00	
Non-board Members	$225,000.00	
Government Program Grants	$25000.00	
Fundraising Events	$88,000.00	
Foundations (Grants)	$80,000.00	
Total Revenue	**$555,000.00**	
Development Expenses		
Staffing (development director & one support staff)	$105,000.00	
Staff benefits, etc.	$8,000.00	
Bank service charges (for processing credit cards)	$2,000.00	
Dues and Subscriptions	$300.00	
Continuing Education	$900.00	
Office Supplies	$2,500.00	
Donor software expenses	$4,000.00	
Donor stewardship (appreciation) costs	$2,500.00	
Donor recruitment costs	$2,500.00	
Direct mail expenses		
Printing	$2,000.00	
Postage	$700.00	

All Fundraising Event Expenses	$8,000.00	
Total Development Expenses	**$138,400.00**	
Fundraising Ratio (Expenses/Revenue)	**24.94%**	
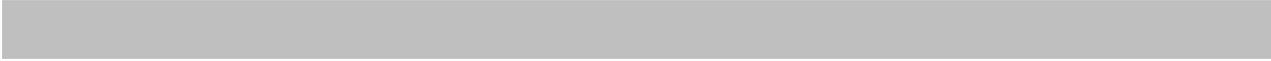
	Option 1	Option 2	Option 2
Board / Leadership provides below assumptions			
Small increase (.5%) for next year			
Flat			
Basically level			
5% increase projected			
Identified $30,000 in grant targets for 2012			
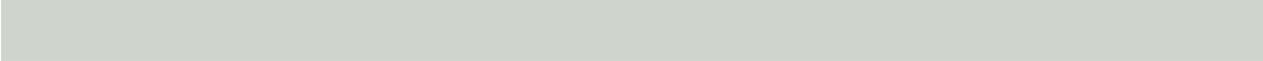
*** Board also wants you to build a projection showing increase in reserve by at least $10,00 ***
This means revenue would need to exceed expenses by at least $10,000

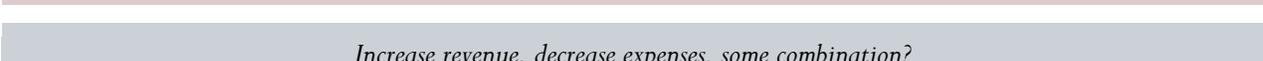|			
Expect 5% increase			
Relatively flat			
Expect $100 increase annually			
Adding one $75 subscription			
Relatively flat			
Relatively flat			
Relatively flat			
Adding $5000 to salary pool			
Relatively flat			
Expect $500 increase			
Relatively flat			
Expect $100 increase annually			
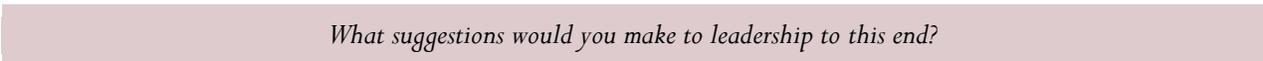
What suggestions would you make to leadership to this end?

Increase revenue, decrease expenses, some combination?

FEBRUARY 20XX

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18 Donor Thank You Party
19	20	21	22	23	24 DIRECT MAIL Acquisition mailing	25
26	27	28	29			

NMI 106 Philanthropy and Fund Development

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MARCH 20XX

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2 DIRECT MAIL Renewal Mailing	3
4	5 Organization quarterly newsletter is mailed – Devo Article	6	7	8	9	10 BOARD RETREAT – Development 101
11	12	13	14	15	16	17
18	19	20	21	22	23 High-end donor recruitment event	24
25	26 Phone Solicitation of direct mail non-responses	27 Phone Solicitation of direct mail non-responses	28 Phone Solicitation of direct mail non-responses	29 Phone Solicitation of direct mail non-responses	30 Phone Solicitation of direct mail non-responses	31 Phone Solicitation of direct mail non-responses

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NMI 106 Philanthropy and Fund Development

APRIL 20XX

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13 Donor Recruitment Event	14
15	16	17 Afternoon Donor Tour of Program Sites	18	19	20	21
22	23	24	25	26 Phone "thank-a-thon" with Board members making calls	27 Phone "thank-a-thon" with Board members making calls	28
29	30					

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MAY 20XX

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Annual report (including Devo Repot) mailed to all donors	2	3	4	5 VOLUNTEER Appreciation Event
6	7	8	9	10	11	12
13	14	15	16	17	18	19 Annual Golf Tournament Fundraiser
20	21	22	23 Organization Annual Meeting and Development Report presented	24	25	26
27 Third-party fund-raising event	28	29	30	31		

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Day 1 Wrap Up

What's the most important thing you learned today?

_____

_____

_____

_____

Which questions still remain?

_____

_____

_____

Day 2

Donor Motivation

Review Sources of Income

Government
- Cause Driven
  - Large Impact
  - Particular Audience
    - Veterans
    - Private Foundation

Corporate
- Community Driven
- Self Serving

Individuals
- Emotion Driven

Foundations
- Objectives Driven

_____

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Why Do Donors Give?

Why do you think donors give to your organization? In 1½ minutes list all of the answers you can come up with.

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

_____   _____

Why Donors Give

To accomplish a personal philanthropic objective

Need to show donor how this objective is being met effectively

_____

_____

_____

_____

_____

_____

_____

> " Supporting a nonprofit organization is rarely the donor's intent; the nonprofit organization is simply a conduit through which a donor might meet his/her philanthropic objectives. "
>
> *The Great Connection: Engaging Donors in Your Mission*, ASU Lodestar Center blog entry by Clyde Kunz, CFRE

Lack of meaningful information and contact

- Lack of feeling connected
- Information dumping (overload)
- Not the best person doing the personal thanking
- Sense of wanting more money only (lack of sincerity)
  - 98% of donors in a survey said that NP's *never* or *hardly ever* pay them a visit without asking for money
- Not feeling good about gift
- Inadequate accountability
- No clear, mission-driven plans communicated for achieving goals

Three Levels of Giving

Organizational Need

Philanthropic Objectives

Philanthropic Ideals

_____

_____

_____

_____

_____

_____

Donor Engagement

Identification
Information
Interest
Involvement
Investment
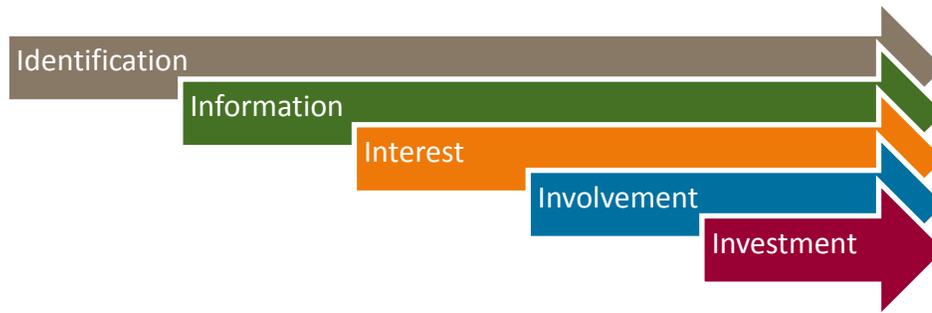
Donor Engagement Examples

Share an example of when a donor became engaged with your organization

How did they become engaged?

_____

_____

_____

Does your example follow this model of engagement? Explain.

_____

_____

_____

Share an example of when a prospective donor did NOT become engaged the way the organization intended
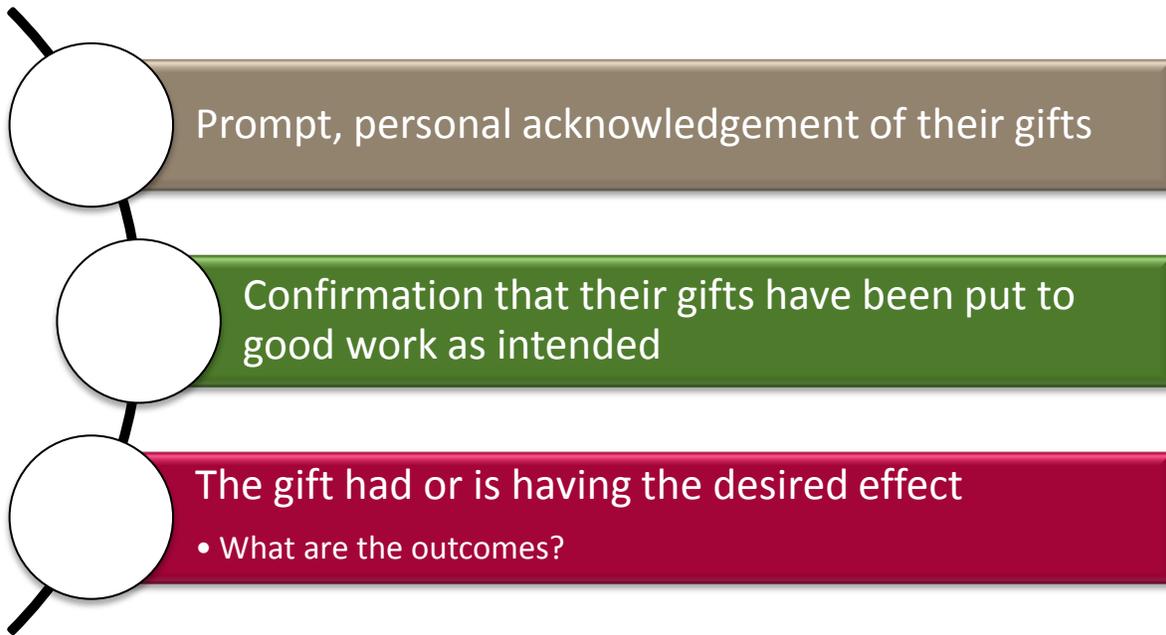
Can you identify the point at which the process broke down?

_____

_____

_____

What can you see that might have been missing or done differently?

_____

_____

_____

Donors Desire What?

Prompt, personal acknowledgement of their gifts

Confirmation that their gifts have been put to good work as intended

The gift had or is having the desired effect
- What are the outcomes?

Donor Pyramid

Planned Giving Program

Estate Gifts

Special Campaigns

Renewed Donor

New Donor

The Universe

Annual Fund Programs

_____

_____

_____

_____

_____

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Individual Exercise

At each level, fill in the blanks of the pyramid and identify the activities that take place in your organization.

_____

_____

_____

_____

_____

_____

_____

_____

Identify at least one way donors can be "moved" from one level to the next. Be prepared to share with the large group.

The Universe ➔ **New Donor**

_____

_____

New Donor ➔ **Renewed Donor**

_____

_____

Renewed Donor ➔ **Special Campaigns**

_____

_____

Special Campaigns ➔ **Estate Gifts**

_____

_____

Donor Clubs – Donor Recognition Societies

Used to bolster fund development

_____

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Giving Trends

Self-Test

Based on the ASU Lodestar Center's "2010 Arizona Giving and Volunteering Report," what are the TOP THREE REASONS people give to charitable organizations?

1 _____

_____

2 _____

_____

3 _____

_____

Reasons Why People Give

why did they give? Table 4

Motivations for Giving	major motivation (%)
Belief that giving can help achieve change or bring about a desired impact	54.0
Identification with a certain cause	51.2
Feeling that those who have more should help those with less	49.3
Helping individuals meet their material needs	44.2
Religious beliefs	43.5
Belief that charities can provide public services better than government or private businesses can	33.2
Tax benefits	18.4
Being asked by a friend or associate	14.6
Being asked by your employer	2.9

We know from other research what the main reasons are for making a charitable contribution. We put a list of those reasons before our survey respondents and asked whether each motive was a major, minor, or no motivation at all for giving.

When we asked this question in 2007, "religious beliefs" was the most popular "major motivator." In this study,

_____

_____

_____
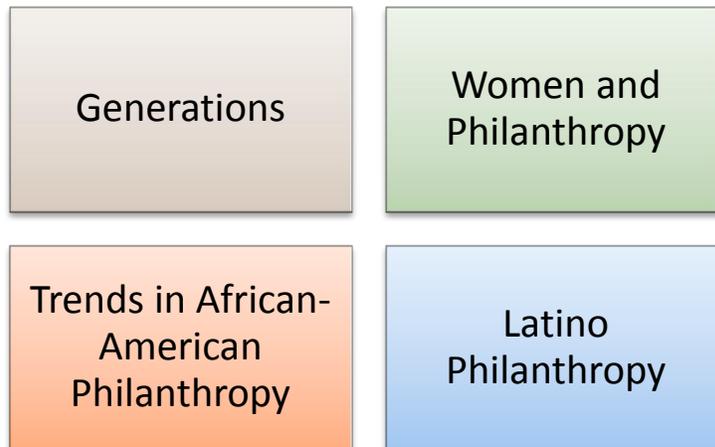
why did they stop giving? Table 5

Reasons why people stopped giving	percentage who agree
I didn't feel connected to the organization any more	64.4
I stopped involvement with the organization	58.2
My personal finances did not permit it	52.8
Organization misled the public about its operations	46.7
Organization did not keep accurate records about me or my donation	21.8
I moved out of the area	15.7
Organization did not recognize or acknowledge my contribution	14.6
Other reasons	44.9

Three in ten of the people we surveyed recalled a decision to stop giving money to a nonprofit organization that they supported in the past. Consistent with our last study, the loss of connection to a particular cause or organization was the main reason people stopped giving.

"Other reasons" was popular too, suggesting that our list is incomplete. Popular write-ins included reasons such as, "administrative costs were too high," "too political," "organization has lots of cash," "misspelled my name," "gave our name to other organizations" and "no appeal from the organization."

4   Arizona Giving & Volunteering 2010

_____

_____

_____

Source: ASU Lodestar Center. (2010). *Arizona Giving & Volunteering 2010.*

Trends in Giving

Generations	Women and Philanthropy
Trends in African-American Philanthropy	Latino Philanthropy

_____

_____

_____

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Generational Differences in Charitable Giving
and in Motivations for Giving

A Report Prepared for

Campbell&Company

May 2008

Researched and written at

The Center on Philanthropy
AT INDIANA UNIVERSITY

INDIANA UNIVERSITY • PURDUE UNIVERSITY • INDIANAPOLIS

Summary

Question or Issue

This paper sets out to better understand charitable giving. In general, we hope to distinguish characteristics of future donors to assist organizations in framing appropriate fundraising messages. More specifically, we are interested in whether differences in giving exist due to age, and we have grouped respondents into standard generational categories. For our purposes, these categories are:

Great:	Born before 1929 (used in some analyses here but not all)
Silent:	Born 1929 to 1945
Boomer:	Born 1946 to 1963
X:	Born 1964 to 1981
Millennial:	Born since 1981

Further, we investigate what underlying motivations lead people to give to charitable organizations, and whether those motivations vary by generational cohort. By understanding what characterizes groups of potential donors and what motivates those donors to give, fundraising organizations can attempt to maximize giving by reaching out to specific individuals with more appropriate messages.

Key Findings

There are some generational difference in giving, mostly between the "Silent" and Great generations and Boomer and later generations.

Giving differs mostly by factors other than generation – educational attainment, frequency of religious attendance and income. To the extent that these differ by generation, they explain the observed difference in giving by people of different generations.

Motivations do vary by income, race, education, region of the country and religious attendance but vary little by generation after controls for these other factors.

Millennial donors are most likely to be motivated by a desire to make the world a better place. They give consistent with their income, education level, frequency of religious attendance and marital status.
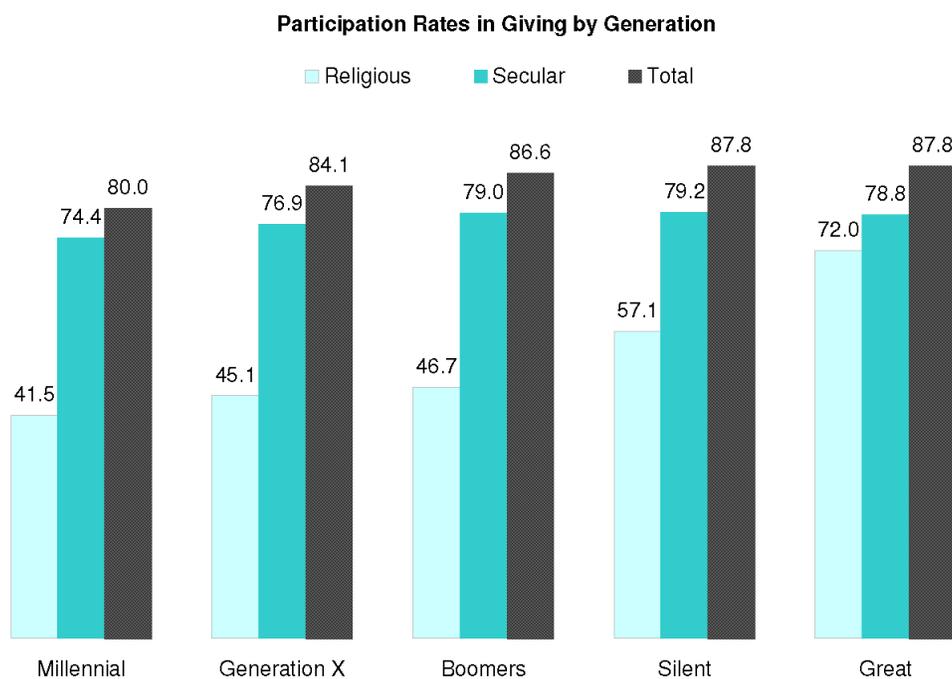
Data

The data used in this analysis were generated through a web-facilitated survey fielded by Knowledge Networks in March 2007. With survey responses from more than 10,000 individuals in a nationally representative sample, we were able to use statistical techniques to find differences in giving between generations and explore differences in giving that might be associated with different motivations identified for charitable donation. Knowledge Networks recruits households for its samples by telephone and provides the needed equipment for a household to participate. Samples from Knowledge Networks are designed to represent the entire U.S. population, not just routine users of the Internet.

The first level of analysis is to describe the actual giving differences observed by generation, both participation (percent who give) and average amounts given. The second level of analysis is to use statistical techniques to isolate the effect of generational differences and other differences and the impact on giving.

Generational differences in giving

Before using statistical methods of controls, there are observable differences in charitable giving that are linked to age or generation. In general, younger adults are less likely to give, and when they do give, they give less on average than older adults. One of the purposes of this paper was to explore potential explanations for these observed differences.

Participation Rates in Giving by Generation

□ Religious ■ Secular ■ Total

	Millennial	Generation X	Boomers	Silent	Great
Religious	41.5	45.1	46.7	57.1	72.0
Secular	74.4	76.9	79.0	79.2	78.8
Total	80.0	84.1	86.6	87.8	87.8

The data available to examine why a lower percentage of younger donors contribute at all is limited to factors such as income, education level, frequency of religious attendance, marital status, and number and ages of children in the household. When examining the propensity to give at all, after controlling for (holding constant) these other variables:

- Members of the Silent and Great generations are statistically significantly more likely to give to religious purposes than members of the Boomer generation

- The younger generations (Gen X and Millennials) are not different from the Boomers in their propensity to give for religious causes, after controlling for other variables. Both are less likely than Silent and Great generations to give for religious purposes.

For secular giving, after controls:

- The Silent generation is more likely than the Boomer generation with statistical significance, to give for secular causes.

- That is the only statistically significant difference in generational propensity to give for secular causes. That is, Gen X, and Millennials plus the Great generation are as likely as Boomers to give for secular causes.

The probability of giving varied by generation, with the Silent generation most likely to give for religion and secular causes and the Great generation more likely to give to religion than younger generations.

The amount given does vary by generation, especially for religious giving – and therefore for total giving, which is the sum of religious and secular giving.

Average gift totals by type of recipient and by generation, 2006

☐ Religion ■ Secular ■ Total giving

	Millennial	X	Boomer	Silent	Great
Religion	$1,405	$1,799	$1,882	$1,625	$1,266
Secular	$593	$674	$966	$803	$583
Total giving	$1,279	$1,971	$1,985	$2,001	$1,746

Secular giving totals varied somewhat by generation, but seem to follow a pattern linked with income differences rather than generation differences.

After controls, generation alone did not make a difference in the amount donors contributed to religion or to secular causes. The differences observed in contribution amounts among donors were associated with differences in income, education and religious attendance.

When examining the amount contributed by donor households, there are no generational differences in total giving **after controls** for income, marital status, race, education, region of the country, religious attendance and age of youngest child in household.

Finding: Generation and Motivations for Giving

The survey asked only donors about their motivations for charitable giving. Five motivations for charitable giving stand out as being most important for donors in all generations:

- Providing for the basic needs of the very poor
- Desire to make my community a better place to live
- Giving the poor a way to help themselves
- Desire to make the world a better place to live
- Those with more have a responsibility to help those with less

Percentage selecting each of the top five motivations, by generation
Donors could select three - these are the highest frequency motivations overall
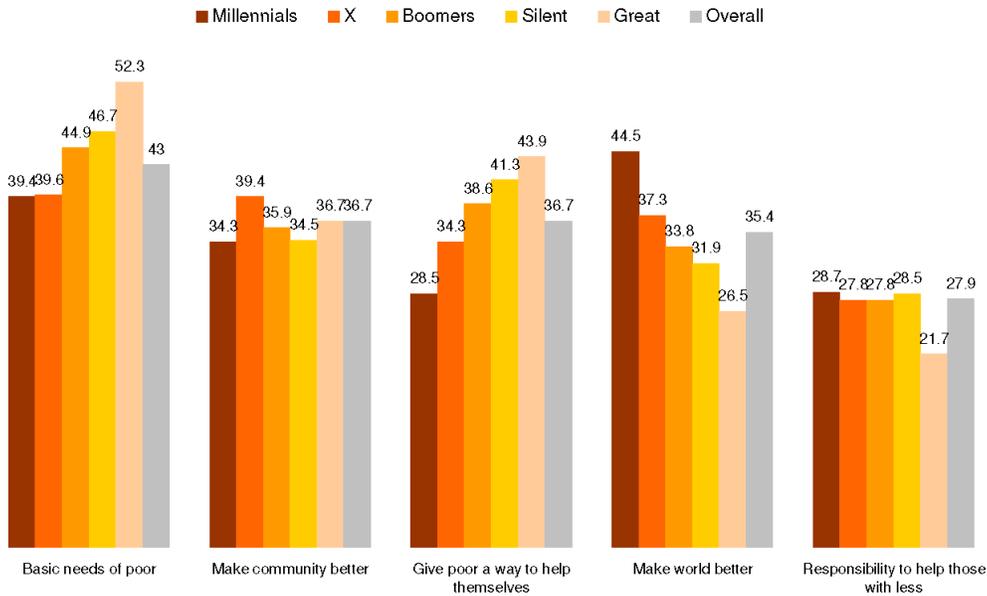
After controls for income, frequency of religious attendance, education and so on, we find only a few statistically significant differences across generations regarding why donors are motivated to give:

- The Millennial generation is more likely to give in order to make the world a better place and less likely to give in order to decide how their money is spent.

- The Silent generation is more likely to give to charities in order to provide funding where the government does not (which is not among the top five overall).

Finding: Income and Motivations for Giving

As we expected, total giving increases with income. Of particular interest are two findings about motivations for giving, after controls:

- Respondents in the two lowest income categories (those making less than $49,999 per year) are more likely than higher income households to give in order to help the poor help themselves.

- The three highest income groups (those above $125,000 per year) are more likely to say they give from a sense of responsibility to help others with less.

Finding: Race and Motivations for Giving

In this dataset, African Americans were less likely to give at all—after controls for income, education, marital status, religious attendance and so forth—than non-Hispanic whites. The effect was associated with a lower likelihood of making contributions for secular causes; there was no effect on religious giving.

Motivations selected for giving varied slightly by race, as well:

- African-American donors and Hispanic donors were more likely than non-Hispanic white donors, after controls for all other variables, to say that they gave to help meet people's basic needs.

- Hispanic donors were more likely than non-Hispanic white donors to say that they gave to help the poor help themselves.

Finding: Education and Motivations for Giving

The results follow what is expected from past studies and intuition. Specifically, charitable giving increases as education increases. With regard to motivations for giving, after controls and when compared with a high school education, having a college degree was associated with:

- A greater likelihood of selecting as motivation the responsibility to help others

- A lower likelihood of giving to help meet the basic needs of the very poor

- A lower likelihood of giving from a desire to control where one's money goes instead of having the government do it

These findings are from an analysis that uses controls for all other variables. Having some college education, but not a college degree, was associated with being less likely to give to help the poor help themselves, when compared with people with no college education (high school degree or less).

Finding: Region of the Country and Motivations for Giving
When looking at motivations for giving after controls, compared with donors in the Northeast:

- Donors who live in the South are more likely to say they give to help the poor help themselves

- People in the Midwest and the South were less likely to select "desire to make the world a better place" as a motivation for giving

Finding: Religious Attendance and Motivations for Giving
Religious attendance is one of the important drivers of the probability than an individual will be a donor to secular and to religious causes. It is also an important determinant of the amount of charitable giving overall and of the amount of religious giving, but less important as a determinant of the amount of secular giving, once the person gives to secular causes. Consistent with other research, people who attend religious services at all, even as seldom as once per year, are more likely than those who never attend to give to secular organizations.[1]

Motivations for giving vary somewhat by religions attendance.

- People who attend once a week or more often are less likely, before controls, than non-attenders to select "make my community a better place" or "make the world a better place."

- Frequent attenders (once a week or more) are more like than non-attenders to say they give to help meet the needs of the poor, to help the poor help themselves or because those with more have a responsibility to help those with less.

- For those three motivations, infrequent attenders are LESS likely to select them than non-attenders and than frequent attenders.

---

[1] For information about studies of religious observance and giving, see the list in Bekkers and Wiepking, 2007, pg 5. at the Social Science Research Network, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1015507.

Percentage selecting motivation, by frequency of religious attendance, 2006

■ Never ■ A few times a year or less ■ A few times a year ■ Once or twice a month
■ Once a week ■ More than once a week ■ Total

Basic needs of poor: 28 27 26 29 30 28 28

Make community better: 37 38 39 39 36 30 37

Give poor a way to help themselves: 28 27 26 29 30 28 28

Make world better: 35 35 36 37 34 34 35

Responsibility to help those with less: 28 27 26 29 30 28 28
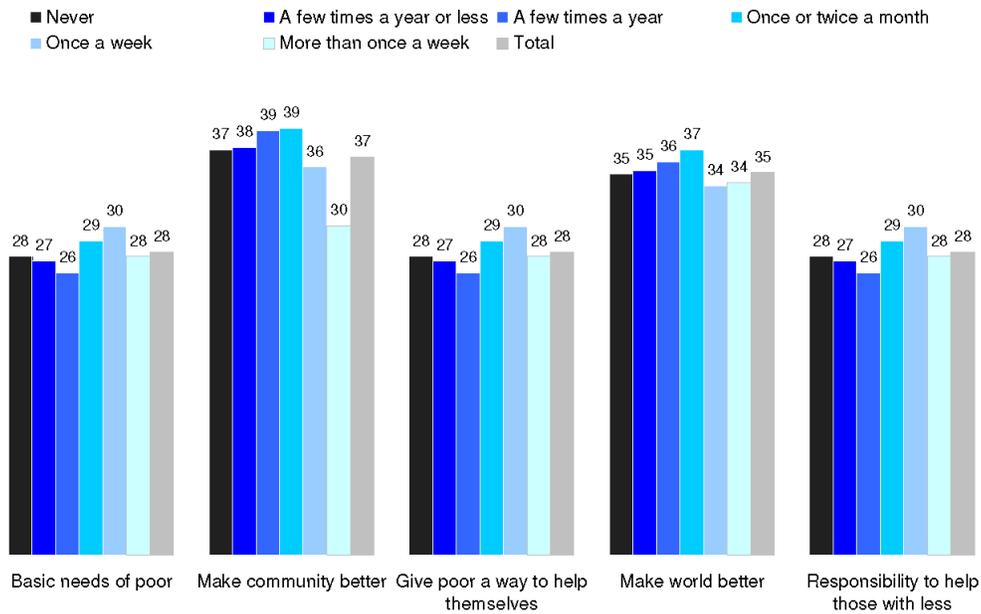
The graph above shows motivations for giving by religious attendance before using statistical techniques to compare motivations after taking into account other factors such as income. When looking at the probability of selecting given motivations After controls, attenders selected different motivations than non-attenders with statistical significance.

After controls, religious attendance was most clearly linked with selecting as a motivation the desire to make the community a better place to live, except in people who attend more than once a week.

Among people who attend religious services more than once a week, when compared with those who do not attend at all, there was a lower likelihood of selecting "desire to make the community a better place" as a motivation.

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[Tabby Biddle](#)
Writer/Reporter dedicated to the empowerment of women & girls

# Women and Philanthropy

Posted: 06/07/10 12:07 PM ET

Here's a myth for you: men donate more money to charity than women. Perhaps this myth stays alive because most people don't think of women as high-activity donors. But that's not true. Certainly women give of their time and skills to help worthy causes, but now they are bringing money too.

Today women are having a major impact as donors, as managers of [major foundations](#), and as beneficiaries of a growing crop of [women's foundations](#). *Forbes* magazine reported earlier this year that the [top four philanthropists in India](#) are all women. In the United States, the latest statistics show that there are more women controlling more wealth in the U.S. than ever before. (Of those in the wealthiest tier of the country -- defined by the I.R.S. as individuals with assets of at least $1.5 million -- [43 percent are women.](#)) Furthermore, women are reported to control 83 percent of household spending and [more than 50 percent of family wealth](#). The reality is that women, strengthened by increasing economic power and education, are the rising wave of philanthropists.

As I mentioned, it's actually a myth that men give more to charity than women. A [Barclay's Wealth study](#) released in July 2009 showed that women in the U.S. give to charity, on average, nearly twice as much as men. But the fact is that philanthropy today is not just about donations or volunteer time, it's about large-scale strategy.

Take [Acumen Fund](#) for instance. Founded by Jacqueline Novogratz in 2001, Acumen Fund invests only in companies

that are creating solutions to enable the poor to help themselves. In other words, to help people become self-sufficient -- rather than giving handouts. That's why, she says, at Acumen "we focus on the basics: health care, water, housing." Ultimately, the goal of the Fund is to overturn the way that we look at and solve poverty.
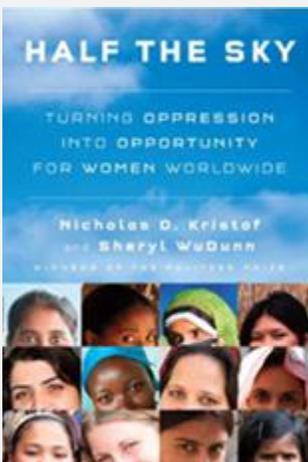
Another strategy being implemented to solve poverty is to focus on creating economic opportunities specifically for women and girls. We have been hearing this everywhere from the United Nations to [Nicholas Kristof](#), author of *Half the Sky* and a writer for *The New York Times*: If you empower women and girls, you create a better life for everyone.

In other words, if a woman has a roof over her head, food to eat, clean water, and affordable health care, then so do her children. Christine Grumm, president and C.E.O. of the Women's Funding Network, points out that seventy percent of people living in poverty around the world are women and children. "In the larger picture, it's not just about women, but entire communities. Women are the conduits through which change is made," she says.

Today women are building alliances, creating partnerships, and leveraging financial capital to achieve sustained economic security and growth for women and girls. Organizations like Women's Funding Network and Global Fund for Women are great examples of this.

As women are increasingly putting their wealth to work for the common good, they are fueling positive change in

communities around the world. While the relationship between women and philanthropy has always been a strong one in terms of time, care, and passion, it is now moving to the next level -- financial clout.

Trends in African American Philanthropy

onPhilanthropy

March 30, 2006

Myth: African Americans don't give to charitable causes. Fact: African American households give 25% more of their discretionary income to philanthropic activities than Whites (Chronicle of Philanthropy, 2003). The question is where do they give?

Black giving, and the organizations around which it is focused, are rooted in efforts to overcome oppression. The history of Black philanthropy shows that Blacks are motivated by those who are close to them -- efforts that make a difference in the daily lives of other African Americans. In many cases, their philanthropy has been a response to discrimination: slavery and segregation in the past; inequality in education and the workplace today.

The tradition of giving "tithes and offerings" began as early as the colonial period when free Blacks in the North established Black churches. Since its inception, the Black church has been the single most important institution involved in Black philanthropy. It has also been the chief beneficiary of the Black community's generosity as well. The majority of African Americans are taught from a young age that they have an obligation to give to the church. Often created as an arm of the church, mutual aid societies were also among the earliest organizations established by African Americans. These societies, which began in the North and were typically founded by free Blacks, were committed to healing social ills and contributing to the community.

African American "elites" (business and professional circles) have also created many social and service organizations for themselves. Because of the secretive nature of these organizations and the fact that their membership is exclusively Black, their philanthropic efforts often go unnoticed by non-Blacks, and they are frequently overlooked in mainstream discussions of African American philanthropy. Among them are women's groups such as the Links, the Girl Friends, and the Northeasterners. Men's organizations in this category include the Boulé, the Comus Club, and the Guardsmen. Giving within these elite organizations is not only an expectation, but a requirement of membership. The same kind of personal appeal that explains the success of giving in the Black church is also at work in Black "elite" organizations. If their friends belong to or are willing to give to a particular organization, African Americans are more likely to get involved.

Because so many successful African Americans required others' help to achieve social betterment, the collective good is held in high esteem. According to a 2004 report by the Twenty-First Century Foundation, an African American organization, "It took a community of people to help that one person arrive at such a level of success…African American individual donors feel compelled to do the same as they receive more." Donors tend to give in areas (such as education and religion) where they can trace a very personal impact on their own lives.

According to a study done by the Coalition for New Philanthropy in New York, African Americans born after 1964 (the year the Civil Rights Act was passed) are more likely to support philanthropic causes that benefit people of all

races and ethnicities. On the other hand, African Americans born prior to the mid 1960s (those who lived through the horrors of Jim Crow), tend to support charitable causes that assist the Black community. And according to a 2001 report on Wealth and Wealth Transfer among African American Households conducted by John Havens and Paul Schervish, younger African Americans (< 41 years) had a slightly higher rate of wealth growth than older African Americans. This trend could make a difference in the future of African American giving. Given their commitment to philanthropy, as Blacks have more access to wealth, the amount of their giving may increase. According to the study's authors, it will be advantageous for fundraisers to "develop a longer-term strategy for the cohort of young wealthy African American professionals and business owners that may not at this time be affluent but will become very wealthy as their assets grow over the next two decades."

In fact, most giving trends in the Black community follow a similar pattern in the current day as in the past. For example, various studies have shown that donations to the church make up between 45% and 90% of all money given by African Americans (depending upon the segment of the population studied). Religion plays an enormous role in African American giving. In a recent study sponsored by the Community Foundation of Greater Atlanta (2004), it was found that African Americans who attend church are 25% more likely to give than their peers who don't attend church services. Because African Americans tend to give to "faith-based" charities that coincide with their spiritual ideals, the church continues to be a major beneficiary of Black giving.

After the church, the next priority in African American philanthropy is social service organizations, especially those that are in the giver's neighborhood and focus on children and youth. Organizations that provide after school programs are of particular interest. African Americans give approximately 25% of their charitable donations to organizations that serve the public need (Center on Philanthropy and Civil Society, 2004).

In the area of medicine, some sectors of the Black community have been long-time givers to the research and treatment of sickle cell anemia and diabetes. More recently, African Americans have been supporting research and social service programs related to AIDS and cancer (especially, breast cancer). AIDS, in particular, has become a dire problem, with African Americans representing 49% of all new AIDS cases in the United States (Center for Disease Control, 2005). In fact, among Black women ages 25-34, AIDS is the number one cause of death. Perhaps because of the AIDS crisis, health issues now make up 13% of African American philanthropic dollars, a percentage that has increased significantly in recent years (Community Foundation of Atlanta, 2004). Some African American families that have been plagued by AIDS and other health care problems raise money through their annual family reunions to support health related facilities in their local neighborhoods.

Education is held in high esteem by the Black community and has historically been a way for African Americans to uplift themselves as individuals, but also their community as a whole. Much philanthropic giving is directed toward scholarships and educational institutions (especially historically Black colleges). Approximately 15% of African American philanthropic dollars fund educational causes (Center on Philanthropy and Civil Society, 2004). Education provides tangible results and the direct impact of giving in this area can be seen in the local community.

Although recent years have seen increased giving to arts and cultural organizations, this has generally been an untapped area with regard to African American giving. Just a little over 5% of Black philanthropic dollars are directed toward arts and culture (Twenty-first Century Foundation, 2004). And, according to research done at the Indiana University Center on Philanthropy as well as my own research on Black colleges, the most often reason cited for not giving by African Americans is not being asked. In many cities, museums and other cultural venues have neglected to

ask Blacks to contribute. In order to garner more interest from the Black communities, museums and other cultural venues, which have traditionally catered to an upper class White population, will have to open their doors to a new constituency.

One potential area for African American giving that has seen some growth lately is technology related nonprofits. Lack of access to computers in schools, Black colleges, libraries in Black neighborhoods, and individual low-income Black families, has led to glaring inequities in computer knowledge. Many programs directed at youth and the elderly, which are focused on computer skills and technology in general, have become popular in inner city areas and have received some philanthropic support from the Black community. However, much more is needed in order to bridge the digital divide in the country.

Thus, the key to successfully garnering funds from African Americans is to make sure that this population can see results in their local communities. Research tells us that Blacks want to align themselves with organizations that have influence right around them. In many cases, they feel that local nonprofits, such as community centers and youth centers, can do a better job with their children than public, government-sponsored programs (W.K. Kellogg Foundation, 2002). The fact that an appeal for funds is made, by a community leader, a friend, or a relative signals that the money will have local impact, and is therefore much more likely to succeed among African Americans.

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LATINO PHILANTHROPY: EXPANDING U.S. MODELS OF GIVING AND CIVIC PARTICIPATION

By Henry A. J. Ramos

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EXECUTIVE SUMMARY

Within Latin cultures, examples of informal charity and social giving through family and kin networks date back to the 1500s.[1] Still, organized philanthropy—as practiced in the United States—remains an emerging concept within these cultures because Latinos[2] come from nations where governments and churches, rather than private and nonprofit organizations, have traditionally played the central roles in mitigating social inequalities.

Within the United States, most Latino donors have chosen to give in informal ways—usually in small amounts—to:

- Religious organizations—especially to the Catholic Church but increasingly to evangelical Protestant orders;
- Family and extended family members in need; and
- Freestanding *mutualista* societies that provide general charitable services in Latino communities.

As more and more members of this nation's Latino communities gain wealth and status, however, this picture is beginning to change. This report identifies important considerations and priorities for expanding Latino philanthropic engagement. Key findings include:

- The number of Latinos achieving professional career status is increasing and so is the number of Latinos who are participating in high-end, organized philanthropy. Currently, however, the number of Latinos engaged in organized philanthropy is relatively small when compared with the potential pool of such donors nationwide.
- Although Latino donors prefer to support Latino constituencies in need and Latino community causes, they generally give as much—and sometimes more—to mainstream organizations.
- Latino donors report a surprising dearth of effective, targeted outreach efforts by nonprofits in general, and by more established mainstream institutions especially, to solicit their involvement and financial support.
- Increasing numbers of Latino donors are supporting community innovations designed to help both Latinos *and* the larger society, including, for example: emerging Latino-focused community grantmaking institutions; effective community-based citizenship

promotion efforts; and mixed-use community development, childcare and arts projects.[3] Such projects are helping to expand prospects for Latino leadership and engagement in organized philanthropy.

- Few Latino donors, no matter how forward looking, support endowment for Latino or mainstream causes. These donors prefer instead to address the more immediate needs of the Latino constituencies they care most about.

- Latino donors appear most concerned about the needs of Latino children, youth and families—undeniably among this nation's most needy populations.

- Due to growing national concern over issues such as immigration and bilingualism, Latino donors are increasingly committed to supporting more self-help oriented philanthropic vehicles designed to protect the Latino interests that are currently subject to challenge.

- Latino donors have shown a strong interest in supporting cultural arts activities, particularly those that celebrate and expose more broadly Latino art forms and traditions.

- In contrast to reasons for giving for many mainstream philanthropists, tax and other institutional incentives are not the principal driving forces for giving within the Latino community. Familial and culturally based factors, such as a sense of responsibility to one's relatives and kin, seem to drive these donors' giving.

- Like mainstream philanthropists, Latino donors seem to respond most favorably to appeals from respected leaders and peers in their community or profession for support of organizations or causes with which they have personal experience—either as a beneficiary or a volunteer.[4]

- Large-scale Latino donors (who are typically few in number and relentlessly cultivated for financial support in their communities) believe strongly that special efforts are needed to train and prepare larger numbers of Latinos—both at the higher and the lower ends of the socioeconomic spectrum—to participate more extensively in giving to U.S. philanthropic institutions. Culturally appropriate education, outreach and incentive programs will be required to achieve this.

- Finally, Latino donors believe strongly that if opportunities for Latino leadership and participation in organized philanthropy are to be increased, mainstream grantmaking institutions must do a better job of incorporating Latinos within their staffs, governing boards and advisory bodies.

Giving Trends – National

- Philanthropy is Everywhere
- Nonprofit World is Significant & Growing Part of GDP
- Electronic Giving Still Strong
- Social Media great for viral communication
- People Want to Give More than $
- More Total Contributions to Fewer Organization
- Current Focus Areas: Education, Health & Environment

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Giving Trends – Local

Relative to Capacity, Phoenix is Tough

- Few Corporate Headquarters – hard hit area with our industries (real estate, tourism, banking) & reliance on growth
- Transient Population
- Individuals Still Giving "Back Home"
- Only Handful of Sizeable Foundations
- Thousands of Nonprofits Competing

Too Many Fundraising Events –Focus on "Old Fashioned" Fundraising (relationship building)

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Technology

In what ways does your organization use technology?

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Using Technology – What Works. What Doesn't.

Web- based Fundraising

Text Message Fundraising

Apps for Fundraising

Telephone solicitation

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Web-Based Fundraising: Chase Community Giving Example

www.facebook.com/chasecommunitygiving

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Text-Message Fundraising: American Red Cross for Haiti Relief

www.redcross.org

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Text-Message Fundraising: Red Fish Media (Resource)

www.giveonthego.com

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Apps for Fundraising: 'All-Aware App'

www.allaware.com

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The Ten Rules of *e*Philanthropy Every Nonprofit Must Know

Rule #1: <u>Don't become invisible</u>

If you build it, they won't just come. Building an online brand is just as important and just as difficult as building an off-line brand

Rule #2: <u>It takes "know how" and vision</u>

Your organization's website is a marketing and fundraising tool. NOT A TECHNOLOGY TOOL. Fundraisers and marketers need to be driving the content, not the web developer.

Rule #3: <u>It's all about the donor</u>

Put the Donor First! Know your contributors; let them get to know you.

Rule #4:
<u>Keep savvy donors; stay fresh & current</u>

Make online giving enjoyable and easy. Give the donor options. Use the latest technology. Show your donor how their funds are being used.

Rule #5: <u>Integrate into everything you do</u>

Your website alone will do nothing. Every activity you have should drive traffic to your site.

Rule #6:
<u>Don't trade your mission for a shopping mall</u>

Many nonprofit websites fail to emphasize mission, instead turning themselves into online shopping malls, without even knowing why.

Rule #7:
<u>Ethics, privacy and security are not buzzwords</u>

Many donors are just now deciding to make their first online contribution. They will expect that your organization maintain the highest standards of ethics, privacy and security.

Rule #8:
<u>It takes the Internet to build a community</u>

Many nonprofits (particularly smaller ones) lack the resources to communicate effectively. The Internet offers the opportunity to cost effectively build a community of supporters.

Rule #9:
<u>Success online means being targeted</u>

The website alone is not enough. You must target your audience and drive their attention to the wealth of information and services offered by your website. Permission must be sought before you begin direct communication via the Internet.

Rule #10:
<u>*e*Philanthropy is more than just e-money</u>

*e*Philanthropy is a tool to be used in your fund raising strategy. IT SHOULD NOT be viewed as quick money. There are no short cuts to building effective relationships. But the Internet will enhance your efforts.

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Donor Stewardship

Where do you give, and why?

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What do you remember about how an organization stewarded you?

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How did that make you feel as a donor or volunteer?

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Core Aspects of Stewardship

1. Accountability
- Financial
- Programmatic
  - Mission specific, donation specific, informed "insiders" & true difference you are making

2. Involvement
- Advice, meaningful opportunities to engage
- Offer to serve through committee, task force or board
- Review marketing, outreach or other key plans
- Ask if others they know should become involved

3. Personal Engagement
- Deepen the relationship, develop a friendship
- Listen well and get to know them and their interests
- Send relevant articles or info
- Invite them to events (more than public, special events)
- Show you care with personalized contacts

4. Recognition
- Many people say they don't want to be recognized – most actually do—figure out what works for them
- Ongoing opportunities, i.e., certain donors stand at an event
- "Name in Lights" – visible indicators such as special nametags with ribbons

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Example of Donor Stewardship

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Individual Exercise

List several ways in which donors could potentially be thanked for contributing to your organization

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Human Connection

Ways donors can be put in contact with recipients of your organizations' services

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Rules for Writing an Effective Direct Mail Letter

11 Cardinal Rules of Copywriting (and how to break them)

Mal Warick & Associates

http://www.malwarwick.com/learning-resources/articles/article_11-cardinal-rules-of.html

1. Use "I" and "you" (but mostly "you"). In fact, "you" may be the most frequently used word in your direct mail letters. Your appeal is a letter from one individual to another individual. You're not writing a press release, a position paper, or a brochure. Abolish the plural "you" from your vocabulary (as in "Dear Friends" for example), and try to avoid the royal "we."

RULE-BREAKERS: You may write a letter in the first person plural if – but only if - for example, the letter is to be signed by a married couple, or your organization's two venerable co-founders, or a famous Republican and a famous Democrat. Otherwise, stick to one signatory.

2. Appeal on the basis of benefits, not needs. Donors give money because they get something in return (if only good feelings). To tap their generosity, describe what they'll receive in return for their money - such benefits as lives saved, or human dignity gained, or larger causes served. Don't be shy about emphasizing tangible benefits, too. Donors may tell you they give money for nobler reasons, but premiums often make a difference. (Remember: most donors read your letters in the privacy of their own homes.)

RULE-BREAKER: If you're sending a genuine emergency appeal, you'd be a fool not to write about your organization's needs - and graphically so! But if it's not a real emergency - and you're really in trouble if you habitually cry wolf - then write about benefits, not needs. You'll raise a lot more money that way.

3. Ask for money, not for "support." The purpose of a direct mail fundraising letter is to ask for financial help. Be sure you do so - clearly, explicitly and repeatedly. The "Ask" should not be an afterthought, tacked onto the end of a letter: it's your reason for writing. Repeat the Ask several times in the body of the letter as well as on the reply device. It may even be appropriate to lead your letter with the Ask.

RULE-BREAKERS: Many direct mail packages are structured not as appeals for funds but as membership invitations. Others feature surveys or other donor involvement devices. In these cases, you might be well-advised to de-emphasize the financial commitment, and highlight membership benefits, or write about the impact of completing a survey or mailing a postcard you've enclosed.

4. Write a package, not a letter. Your fundraising letter is arguably the single most important element in

the mailing package. But it's only one of several items that must fit smoothly together and work as a whole. At a minimum, your package will probably include an outer (or carrier) envelope, a reply envelope, and a reply device in addition to the letter.

When you sit down to write, think about how each of these components will help persuade donors to send money now. Make sure the same themes, symbols, colors, and typefaces are used on all elements, so that the package is as accessible as possible to donors. And be certain that every element in the package relates directly to the Big Idea, or marketing concept, that gives the appeal its unity.

RULE-BREAKER: Sometimes it pays to spend a little extra money on a package insert that doesn't directly relate to the marketing concept: for example, a premium offer presented on a "buckslip," but mentioned nowhere else in the package. Often, in fact, such buckslips work best if they don't use the same color and design as other package elements. (That way, they stand out more clearly.)

5. Write in American English (if you're writing to Americans!). Use compact, powerful words and short, punchy sentences. Favor words that convey emotions over those that communicate thoughts. Avoid foreign phrases or big words. Minimize your use of adjectives and adverbs. Don't use abbreviations or acronyms; spell out names, even if their repetition looks a little silly to you. Repeat (and underline) key words and phrases. Make sure that even an imbecile could understand your marketing concept.

RULE-BREAKER: A letter that could have been written by a twelve-year-old might not look right over the signature of a college president or a U.S. Senator, so follow this rule judiciously. (But don't make the mistake of confusing big words, complex sentences and complicated thoughts with intelligent communication: even a literate fundraising letter needs to be clear and straightforward.)

6. Format your letter for easy reading. Be conscious of the white space you're leaving around your copy; the eye needs rest. Indent every paragraph. Avoid paragraphs more than 7 lines long, but vary the size of your paragraphs. Use bullets and indented paragraphs. In long letters, try subheads that are centered and underlined. Underline sparingly but consistently throughout your letter: enough to call attention to key words and phrases, but not so much as to distract the eye from your message.

RULE-BREAKERS: Don't mechanically follow the rule above. Some special formats, such as telegrams or handwritten notes, have formatting rules of their own. Don't ignore them.

7. Give your readers a reason to send money NOW. Creating a sense of urgency is one of your biggest copywriting challenges. Try to find a genuine reason why gifts are needed right away: for example, a deadline for a matching grant or an approaching election date. Or tie your fund request to an arbitrary budgetary deadline so you can argue why gifts are needed within the next 15 days. There is always a reason to send a gift now. And the argument for the urgency of your appeal bears repeating - ideally, not just in the text of your letter, but also in a P.S. and on the reply device as well.

RULE-BREAKERS: Be very careful about fixed deadlines if you're mailing via bulk rate. (Instead of citing a

date, use a phrase like "within the next two weeks.") Don't overuse the same arguments for urgency, lest your credibility suffer. And try not to depend on deadlines based on actual dates in your acquisition packages: the value of those packages will be greater if you can continue to use them over time.

8. Write as long a letter as you need to make the case for your offer. Though everyone won't read every word you write, some recipients will do so, and others will scan your copy for the information that most interests them. To be certain you push their hot buttons, use every strong argument you can devise for your readers to send you money now. To spell out every argument may mean writing a long letter; it may also mean repeating what you've written to the same donors many times in the past. But don't worry about boring your readers by restating your case: studies show that even the most active direct mail donors remember very little about the organizations they support.

RULE-BREAKER: Not every organization - and not every appeal - calls for a long letter. Not by a long shot! A well-known organization with a readily identifiable purpose might be able to make its case with only a sentence or two. And in writing to your proven donors, you can sometimes state the argument for a straightforward membership renewal or special appeal in few words. And remember these three additional rules of copywriting - rules that are NOT to be broken:

9. You - the signer - are an individual human being, with hopes, fears, convictions, and experiences. Write about them.

10. You are writing to one person - the addressee - who has hopes, fears, convictions, and experiences. Write about them.

11. Your organization addresses human needs on many levels, intangible as well as concrete, emotional as well as practical. Write about them.

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Arizona autism support

Dear Community Partner,

Did you know that 1 out of every 150 children born today will be diagnosed with autism? That is one child diagnosed every 20 minutes! More children are diagnosed with autism then all forms of cancer, diabetes, and aids combined! Yet autism receives less than 5% of research funding for any one of these conditions.

Here are some more facts:

Leukemia: Affects 1 in 25,000 / Funding: $310 million
Muscular Dystrophy: Affects 1 in 20,000 / Funding: $175 million
Pediatric AIDS: Affects 1 in 8,000 / Funding: $394 million
Juvenile Diabetes: Affects 1 in 500 / Funding: $130 million
Autism: Affects 1 in 150 / Funding: $15 million

As you can see there is enormous need for awareness and research funding to fight autism. When the National Institute of Health has a budget of $29 Billion in 2005 yet only dedicates .03% of that to a condition that affects almost 1% of all new born children we in the private sector must step up to the plate.

Arizona Autism Support is a 501c3 organization and donations are tax deductible. Our tax identification number is 20-5978189. Arizona Autism Support conducts statewide outreach into rural areas around Arizona. We provide parent education & training and family support activities. Our organization seeks to fill the gaps that exist in Arizona with regard to supporting families living with Autism.

Your donation will supply funding that will go directly to Arizona Autism Support. In order for the largest dollar amount to go to programs, we are a volunteer, parent led organization with no full time staff. Funding that is provided will be put into programs with only a small percentage going into minimal office fees including website hosting, printing and postage.

We are eager to embark on several new projects in the coming year, and your funding can make that possible.

If you have any questions please feel free to contact Jason Geroux at (480) 748-8620. Otherwise checks may be made payable to: **Arizona Autism Support.**

You can send checks to:

Arizona Autism Support
PO Box 51706
Mesa, AZ 85208

Thank you for taking the time to read this letter, we hope that you can see the benefits in supporting this fantastic cause and that you would like to be a part of the wonderful programs that we are bringing to families all across the state of Arizona.

Remember 1:150 kids born this year will be diagnosed with Autism. Your investment will help almost 1% of all new families in Arizona!

Gratefully Yours:

Jason Geroux
Vice Chair - Arizona Autism Support
jason@arizonaautismsupport.org
(480) 748-8620

Identify THREE things the organization did well in this letter

1 _____

2 _____

3 _____

Identify THREE things they could have done differently that would be more effective

1 _____

2 _____

3 _____

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Precede or follow with a phone call

Telephone Solicitation Role-Play

Groups of 3
- One Caller
- One Call Recipient
- One Observer to Provide Notes

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_____

_____

Making the Personal Face-to-Face Ask

Methodologies that have been shown to work:		
Volunteer and staff member go together	Not in a restaurant	Ensure the "decision makers" are all present
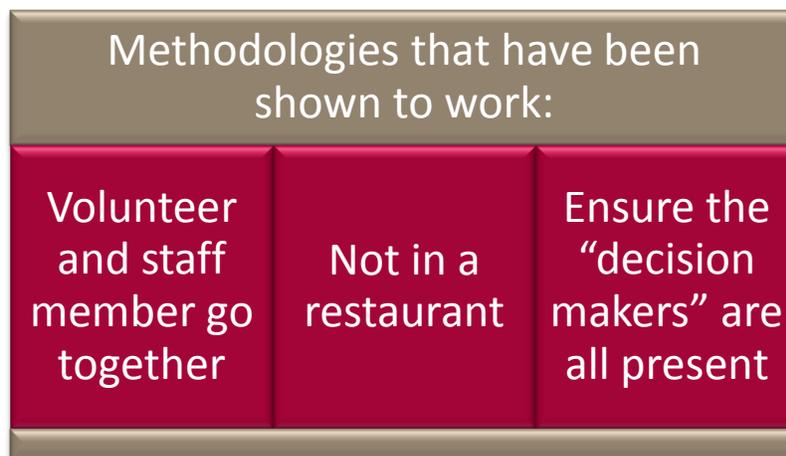
- **Staff Member, Board Member, New Board Member**
- **Staff Member, Board Member, High-End Philanthropist**
- **Staff Member, Board Member, Prominent Corporate Leader**

Groups of 3

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Large Group Discussion

What parts of solicitation were comfortable for you?

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What was uncomfortable?

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How can we learn to overcome our discomfort?

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Ethical Standards

AFP Code of Ethical Principles and Standards

ETHICAL PRINCIPLES
Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism.

Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled.

To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

Member Obligations

1. Members shall not engage in activities that harm the members' organizations, clients or profession.

2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.

3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.

4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.

5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.

6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.

7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.

8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.

10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.

11. Members shall refrain from any activity designed to disparage competitors untruthfully.

Solicitation and Use of Philanthropic Funds

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.

13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

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14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.

15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.

16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

Presentation of Information

17. Members shall not disclose privileged or confidential information to unauthorized parties.

18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.

19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.

20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.

Compensation and Contracts

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).

22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.

23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.

24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.

25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

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The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

I.   To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II.   To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III.   To have access to the organization's most recent financial statements.

IV.   To be assured their gifts will be used for the purposes for which they were given.

V.   To receive appropriate acknowledgement and recognition.

VI.   To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

VII.   To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII.   To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.   To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.   To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.

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Model Standards of Practice for the Charitable Gift Planner

PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be

characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS
A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES
Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT
The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE
A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST
Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.
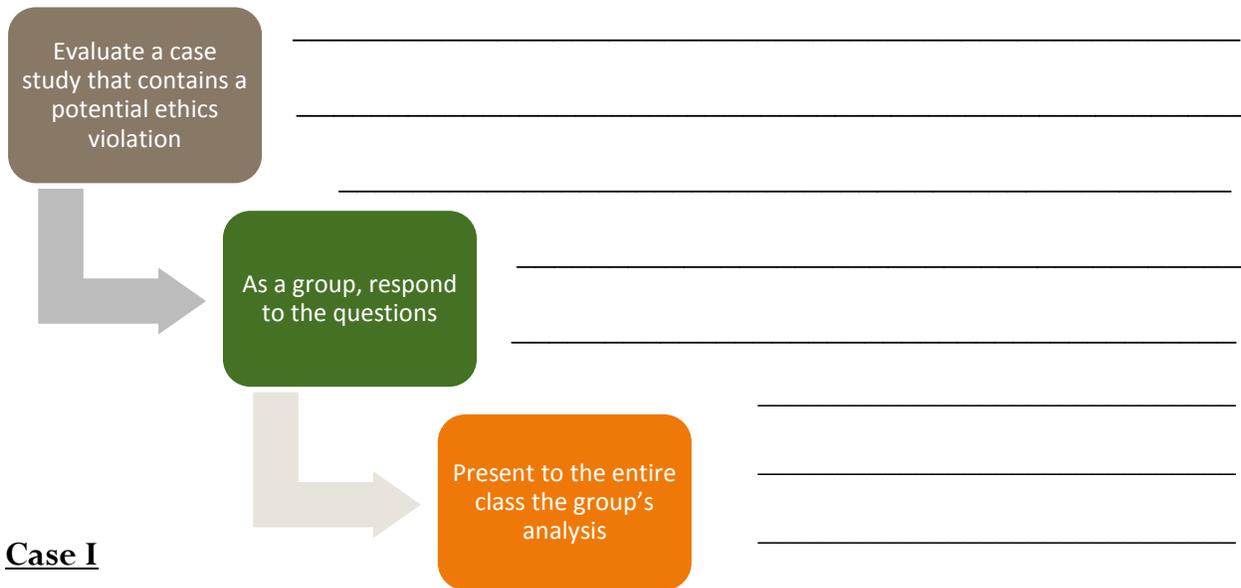
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Small Group Case Studies

Evaluate a case study that contains a potential ethics violation

As a group, respond to the questions

Present to the entire class the group's analysis

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Case I

An elderly gentleman, whom you have been cultivating as a planned giving prospect, notifies you that he wants to meet to talk about changing his will to give your organization 75% of his estate when he dies. Before you can meet with the donor, however, the council president of the church he has attended all his life calls and explains that the donor is temporarily upset and not in his right mind. He asks to be allowed to attend when you meet with the donor. The council president further explains that the donor's will currently names the church as sole beneficiary of his estate, and apparently, during the recent church building program, the donor had a petty argument with the coordinator of the building program and decided to take the church out of his will.

Questions:

As an ethical fundraiser, what should you do?

1. Agree to the request.
2. Respectfully decline the requests.
3. Agree to ask Mr. Cash if he wishes to have the church president attend the meeting with you.
4. Other

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Suppose after meeting with you, Mr. Cash goes ahead and changes his will to give 75% of his estate to your organization. Would it be ethical to accept the bequest?

1. Yes
2. No
3. It depends
4. Don't know

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Suppose you had not been cultivating Mr. Cash, but in a disagreement with the church building program coordinator he decided to give a major gift of $100,000 to your organization. Would it be ethical to accept the gift as is?

1. Yes
2. No
3. It depends
4. Don't know

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Is this an ethical, legal or moral issue?

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In your group, discuss how you, as professionals, should deal with donors who change their minds about gifts that may greatly affect your organization or another non-profit?

Case II

A city hospital desperately needs a critical care wing. The nearest facility is 250 miles away, and patients needing critical care often do not survive the trip. Shortly after the hospital board announces a capital campaign, a local business person offers to donate the entire cost of the new wing, provided the hospital names the wing after him.

Questions:

Suppose the donor is known as an underworld figure who allegedly makes his money from drug trafficking. Would it be ethical to accept the money? Legal? Moral?

1. Yes
2. No
3. It depends
4. Don't know

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Suppose the donor in question actually went to jail for drug trafficking, served his time, and is now "legit." Would it be ethical to accept the money? Legal? Moral?

1. Yes
2. No
3. It depends
4. Don't know

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Suppose the donor is willing to forget putting his name on the building but will give the money only if he is named to the hospital board. Should you accept this money?

1. Yes
2. No
3. It depends
4. Don't know

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How do you help your organization deal with questions of this nature?

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Case III

Your arts organization's annual fund campaign is lagging and you have become increasingly concerned about making the goal this year.   At the final concert of the year, a donor approaches you and tells you he is thinking about making a $10,000 gift this year, but wants it to be used only for educational performances. You are only a few days away from the end of the fiscal year and this gift will ensure the success of your campaign if it is credited toward the annual fund. If it is put into a restricted account, then it will not count toward your goal. You rationalize that all of your annual fund money supports all of the programs of your organization, including educational performances, so that, in effect, your donor's gift will do what it was meant to do. You accept the gift and put it towards the annual fund.

Questions:

Is this an ethical, legal or moral issue?

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Did you do the right thing?

    1. Yes
    2. No
    3. It depends
    4. Don't know

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Suppose you run it by the donor, and the donor agrees to let you put it into the annual fund total, but he still restricts it to education performances. Is this OK?

    1. Yes
    2. No
    3. It depends
    4. Don't know

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Suppose in your published materials, it is made clear that restricted gifts do count toward the annual campaign. Did you do the right thing?

    1. Yes
    2. No
    3. It depends
    4. Don't know

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In your group, discuss who makes decisions about accounting for and the use of gift funds in your organizations. What authority should govern these types of decisions?

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Case IV

A non-profit organization has recruited you to be chief development officer and director of volunteers. The organization offers you a compensation package consisting of a base salary, a variable bonus based on your performance in several areas of the job and their standard employee benefits. The amount of the variable bonus will be based on the number of personal solicitations for major gifts you make, the number of planned gifts that your department writes, and the number of active volunteers your department recruits during the year, plus a percentage of the revenue from all sponsorships.

Questions:

Would this pass muster under the AFP Code of Ethical Principles and Standards of Professional Practice?

1. Yes
2. No
3. It depends
4. Don't know

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Suppose the compensation package consists of a salary plus a percentage of all revenue produced from sponsorships and fee-for-service activities. Would this be acceptable?

1. Yes
2. No
3. It depends
4. Don't know

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Suppose the compensation package consists of a salary plus a bonus of $5,000 if the annual fund reaches goal and, if the annual fund exceeds goal, a bonus of $10,000 for each percentage point by which it exceeds goal. Would this be in accord with the AFP Code?

1. Yes
2. No
3. It depends
4. Don't know

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How can you establish a bonus plan under the Code? Why does your group think that the question of percentage-based fundraising is still a major discussion for many organizations and boards?

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Case V

You work for an organization serving women and children who have suffered domestic violence. Out of the blue, the organization has received an unsolicited $50,000 gift from the Playboy Foundation (yup, that one!). You also learn that the gift was made due to the efforts of a long-time major donor, who has personal ties to someone on the Playboy Foundation board of directors.

Questions:

Do you accept the gift? If so, why? If not, why not?

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If you do accept the gift, what are the possible public relations ramifications? How will your clients feel about acceptance of the gift? What is the Playboy Foundation requires, as a condition of accepting the gift, that the gift be publicly acknowledged in the most prominent local newspaper?

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If you do not accept the gift, what do you tell the woman who is President of the Playboy Foundation? What do you tell your organization's major donor, who "went to bat" for you?

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Is this an issue of fundraising ethics?

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Course Wrap-Up

Course Wrap-Up

What's THE most important thing you learned from this course?

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Briefly explain how you will apply what you learned to your work or organization in the immediate future.

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