

Community Watershed Associations: A Valuable Resource for Pennsylvania

**A workbook for environmental activists
who want to raise more money!**



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This workbook, like most things, is the work of many hands....
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It is my delight and privilege to have such engaging partners and
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the work of each of the watershed association leaders, every citizen
of the Commonwealth should give thanks.

May they be very successful!

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Introduction

Community watershed associations (CWAs) are a vital part of Pennsylvania's efforts to address the myriad problems created by abandoned mine drainage and pollution of all types to our water supply. More than 300 community watershed associations now exist across the Commonwealth. Originally funded in 1999, Pennsylvania Department of Environmental Protection's (PA DEP) Growing Greener dollars created the opportunity for many of these groups to be formed and provided millions of dollars of project support.

The dedication and commitment shown by numerous members of watershed associations is clear. They have toiled diligently to redress environmental problems. Hundreds of projects have been undertaken for the public good by people of the highest integrity. The system has created many successes. But the urgent need for additional dollars to support this broad and growing system is also quite evident.

The watershed associations work as partners with PA DEP staff. The potential for this partnership is clear when reading the mission of the Watershed Management Program as stated in their recent strategic plan,

"...to protect and restore the physical, chemical and biological integrity of PA's water resources through watershed-based strategies and partnerships that:

- Maximize protection/restoration efforts,
- Assure sustainable uses,
- Protect public health and safety,
- Minimize and regulate activities that alter or degrade water resources."

Since the inception of Growing Greener, PA DEP offered management support as well as technical support through conferences to leaders from the community watershed associations. The Bayer Center for Nonprofit Management at Robert Morris University (BCNM) was pleased to be asked to work with ten regional watershed organizations, as well as the Fayette County Conservation District (FCCD) and PA DEP officials. The objective was to foster stronger fundraising practices to better meet the needs of our communities as they seek to repair environmental degradation.

Although rural, all-volunteer organizations represent the biggest challenges for conventional fundraising techniques, we are deeply appreciative of the FCCD's commitment to seeing that each of their watershed groups has access to consultation about their individual community fundraising opportunities and challenges. Since 2006, BCNM has been working as a partner to FCCD to provide the tools and information, specific to each group's needs to be successful.

All of these citizens of the Commonwealth share a heart-felt desire for clean water and sweet air. The watershed associations add the vital component of strong connection to community and the ability to advocate for the issues that most affect the people they serve.

Therefore, in early 2006, to expand the work of these vital community resources and in the face of the enormity of the challenge, board and staff leaders began a series of training sessions organized by BCNM to identify ways they could raise more money!

To frame the issues around which the curriculum was designed, here is a profile of a community watershed organization...

About the Agency

XWA is seven years old. An all-volunteer organization, they've taken on a wide range of projects from educational work in the schools to water quality planning and protection efforts.

Their board is very committed, but small, and has only recently added new members. XWA accomplishes their heavy workload without any paid staff and the board feels strongly that this is appropriate and sustainable.

The willingness of even very new board members to engage in fundraising is extremely positive, and they are to be commended for building an organization with a can-do culture. With some information, tools and training, the directors indicated that they are willing to try cultivating donors and developing contacts for XWA.

Financial Status

Although it has undertaken projects costing hundreds of thousands of dollars, XWA has a modest annual operating budget, derived mainly from the 2% allocation for administration once allowed to be spent from project grants. The annual budget for operating expenses is estimated at \$2000.

Communications

XWA's primary communication tool is a newsletter. Ideally, the publication would mail quarterly. A founding board member has built a list of nearly 400 individuals in their zip codes, mainly through borrowing lists from other conservation-related agencies. However, funds for newsletter mailings are not always available.

They have had some funding accessible for other communications activities, including purchasing advertising space in local publications and printing outreach brochures. These printed pieces reach a wide audience, but the impact is yet to be seen.

Long Term Goals and Planning

XWA generally chooses projects based on the likelihood of securing funding. In the future, the group would like to take on the practice of assessing community needs and fundraising for targeted projects.

If possible, the group feels that more outreach to the schools would be desirable.

Key Issues & Concerns

Director Joe X- summed up key challenges faced by any voluntary organization: consistency and continuity. The board is very willing to try new things to build the organization, garner necessary support and fulfill the mission of XWA.

FUNDRAISING PRACTICES

Membership

Members are mostly individuals living in the watershed. Because the community is not large, XWA board members are literally neighbors of many of their members.

Membership is fairly steady at 60-80. Fees for membership are deliberately kept low (\$5) so as not to present a barrier to membership for anyone. Therefore, membership revenues are small.

As with the newsletter, funds to do routine renewal mailings and appeals are sometimes limited. A past workshop on creating a Membership Recruiting Plan was very helpful, but with a limited number of volunteers and tight funding for mailings, implementation will take time.

Special Events

Events are committee driven, with most of the work being done by board members and one or two other individuals.

A picnic over the summer draws XWA's core supporters – board members and a group of fifteen to twenty others. This is not a fundraising event, but may be useful as a tool to communicate with supporters.

A golf outing takes place each September. XWA inherited the event. It was established by a larger consortium of conservation organizations, but over the years, it became the project of XWA, and the proceeds have exclusively benefited them since 2003.

The golf outing earns between \$500 and \$800. Funds raised allow XWA to invest in board training and some of the production costs of newsletters and mailings.

Final income and expenses for the golf outing are still being tallied. The audience is composed of engineers and consultants engaged with watershed work professionally and local business owners in or near the watershed. Sponsor packages range from \$100 to \$300. XWA has been able to hold the number steady at about ten sponsors each year, but they are often working to replace prior years' sponsors who are not renewing.

Sponsor cultivation is minimal. A mailing to approximately 130 contacts is sent. Directors are willing to work on building a sponsor base, but the geographic constraints must be acknowledged and a case for support built. Because so many local businesses are located in the nearest large town – outside of XWA's territory – there is a sense that it might be difficult to grow their base.

Cooperative Fundraising

XWA has made some attempts at cooperative projects with mixed success. Because they do not have a strong ally for collaborative work, the sense among board members is that there is insufficient trust to partner on fundraising.

NEXT STEPS

Seminars of Interest

Given the grassroots nature of XWA, a *Fundraising 101* clinic was discussed. Board members noted that they are not well informed about the basics of philanthropy and would like a framework to help develop goals.

There was also interest in a basic *Cultivation and Solicitation* workshop or even two on the topic. While board members are willing to engage in fundraising, they have little prior experience and would like the same type of roadmap provided by the Membership clinic referenced earlier.

Lastly, because *Proposal Writing* is handled by volunteers, a clinic on the topic might allow additional volunteers to participate in projects and possibly help secure additional funds. As XWA moves ahead with identifying key projects, it will help to have a perspective on what might be involved in attracting grant funds to underwrite the work.

Services of Interest

XWA could also benefit from some help structuring their golf outing as a fundraiser and communication tool. While the event is profitable, and that is a positive for a small organization, the funds raised are modest. The event should be evaluated to see if it could raise more money, or possibly if it is requiring more volunteer time than is sustainable.

CREATING THE PROGRAM

This profile reflects discussions with several watershed associations. Most had no paid staff – although those that do, are always more successful in attracting dollars! Many board members had been attracted to the mission because they were scientists or educators and had little experience with nonprofit management and fundraising, in particular.

The following program was designed. It was intended to be offered to a small group of CWAs who would also offer peer advice and support to each other. These classes were held in the evening and at several central locations in Fayette and surrounding counties, to be as accessible for volunteers as possible. Some classes were offered more than once to accommodate changes in volunteer leadership or to meet shifting schedules.

Participants were also invited to attend any of BCNM courses in its Pittsburgh offices that would assist them in more productive fundraising: the Special Events Toolbox; Corporate Giving: The Real Nitty Gritty; Innovative Financing for your Nonprofit Organization and many others.

Whenever possible, BCNM worked with the individual boards as they sought to apply the lessons learned in the workshops. The curriculum included is detailed below.

The FCCD Training Program for Community Watershed Associations

- **Fundraising 101:** Learn the fundraising fundamentals in this interactive course. Topics covered will include the differences between annual, capital and planned giving; the basics of an annual appeal; how special events fit into a development effort; the role of the board; tips on building on existing efforts. (offered twice)
- **Cultivation & Solicitation:** Explore the Art of the Ask. Who, when, where and how much? Even many of the most experienced fundraisers write plans that help them understand and track the nature of their relationships with their valued donors. Discuss how to bring newcomers into your organization and cultivate deep and lasting ties with your supporters, and how to integrate this work into on-going efforts. (offered twice)
- **Proposal Writing:** Identify your best prospects and avoid common pitfalls. This workshop will cover approaching a foundation or corporate giving program; understanding their requirements; preparing your case for support; presenting your case to a program officer or foundation trustee; developing the supporting information; and avoiding the most frequent mistakes. (offered twice)
- **Planning for Fundraising Success:** Never set out on a long journey with out a decent map! One of the truths of fundraising is that organizations almost always raise more money when they've taken the time to prioritize and plan. Planning requires an accurate picture of past efforts and identified strategies and actions to achieve current goals. Learn how to set realistic targets, to write a clear plan that acknowledges the limited time available and focuses on the best approaches based on current circumstances. (offered twice)
- **The Essential Element – A Board That Works!:** Throughout our work with the CWA groups, the roles and responsibilities of their board were a constant concern. Nonprofit governance is a hot topic these days with a lot expected of all nonprofit boards. But these CWA boards handle large sums of money with little or no expert administrative support. The projects are sometimes controversial; therefore, advocacy is a highly desirable skill. There are sometimes sophisticated legal and real estate issues before the board. To add fundraising responsibilities, expected to cover all operating, maintenance and repair costs, was quite a challenge.
- **Building Alliances to Boost Fundraising, Lower Workload & Maintain Local Identity:** Leverage your marketing and fundraising efforts through effective use of collaboration and alliance strategies. Learn the characteristics of effective collaborations, partnerships and alliances and what differentiates them – when should a group employ each? Better understand how best to mitigate risks and learn to make it work! (two consecutive sessions)

This workbook contains the handouts and worksheets created to support the topics as listed above. These handouts reflect a breadth of best practice recommendations and the thinking of national experts on these topics wherever possible. Those not attributed to a specific author, were written by BCNM staff.

Fundraising 101

Fundraising 101: *Learn the fundraising fundamentals in this interactive course. Topics covered will include the differences between annual, capital and planned giving; the basics of an annual appeal; how special events fit into a development effort; the role of the board; tips on building on existing efforts.*

The fundraiser's vocabulary

In this session, we first asked participants to take a look at their organization's current fundraising practices in the initial questionnaire. To assure that we all were speaking the same language, we then discussed the vocabulary and key concepts of development from community philanthropy to planned giving. Sometimes, people think fundraising = special events. Although special events can play a role in fundraising, they are the most expensive and labor-intensive to execute. This vocabulary conversation was intended to begin a deeper exploration of a variety of methods to raise money.

Scanning the environment for trends and opportunities

No effective fundraising occurs without looking outside your own walls and thinking about what's going on in your community that affects your opportunities to raise money. So we discussed the YOU ARE HERE Map. Most of these organizations are struggling in communities that are economically depressed. The new people who are moving in are perceived to not be interested in becoming active with the CWA. Sometimes, this perception is accurate – sometimes, it's not been tested. Participants were encouraged to think optimistically about local businesses, potential partnerships with government entities and to think specifically about individuals who might give or help them get!

Thinking realistically about opportunities

Two approaches to fundraising planning were introduced. The Development Audit encourages a strategic thinking approach, employing key strategic planning questions as well as revenue and fundraising technique specifics. The model taken from the Grassroots Fundraising Journal's work presents the goals and activities strictly in a chart format. Both stress clarity of thought and promote a shared understanding of techniques to be employed, the time required to be successful and a clear identification of whose responsibility it is to execute the determined task and by when.

Effective fundraising requires determination, intelligence and consistency. You have to have pitbull tenacity, believe in the beauty of your cause and be able to withstand rejection – live to fight another day! The intent of this workshop was to open people's eyes to possibility and to give them a variety of tools with which to work.

**Do not go where the path may lead,
Go instead where there is no path and leave a trail.
~ Ralph Waldo Emerson**

Initial Questionnaire

The Bayer Center is very excited to be working with you to develop new fundraising capabilities. While the process can be daunting at times, it can be learned and through it, we can help realize new possibilities for our communities!

Please help us prepare by providing some background information. If something does not apply, please simply leave it blank.

1. How does your organization currently raise funds? Check all that apply.

- Gifts from individuals in response to appeal letters:
- Gifts from individuals in response to phone calls:
- Gifts from individuals asked personally by staff/board:
- Gifts from individuals in honor/memory of another:
- Gifts from businesses for operations:
- Gifts from businesses for projects:
- Matching gifts from employers:
- In-kind donations from businesses/individuals:
- Foundation grants for operations:
- Foundation grants for special projects:
- Government funding – local/county level:
- Government funding – state level:
- Government funding – federal level:
- Special Events:
- Sales of merchandise:
- Fees for service:

2. How many board members do you currently have?
What is the attitude of your current board members towards fundraising?

3. Do you have a mailing list of individuals interested in your work?
How do you communicate with them?

4. How do you recognize your donors? Check any that apply:

Listing names in newsletters/on website:

Phone calls/thanking in person:

Standard letter:

Personal note:

Event:

With a token gift:

Other:

**5. Do you currently have a membership program?
If so, what is the cost to be a member for one year?
Is there more than one membership level?**

Philanthropy, properly understood, is the love of humanity expressed through giving. Philanthropists, properly understood, are people – regardless of age, race, income level, or social status – who share of their time, talent, and financial resources to promote the common good.

- Mid South Commission to Build Philanthropy
Report completed, February 2005

Community Philanthropy is the act of individual citizens and local institutions contributing money or goods, along with their time and skills, to promote the well-being of others and the betterment of the community in which they live and work. Community philanthropy can be expressed in informal and spontaneous ways such as citizens and local businesses helping other residents in times of crisis. Community philanthropy can also be expressed in formal, organized ways whereby citizens give contributions to local organizations, which in turn use these funds support projects that improve the quality of life in the local community on a permanent long-term basis.

- European Foundation Centre

The Four Traditions of Philanthropy

Relief
Improvement
Social reform
Civic Engagement

*Which of these is most identified with philanthropy currently?
Which are currently least active aspects?*

Discussion of Philanthropy as Charity VS Philanthropy as Citizenship

Criteria:

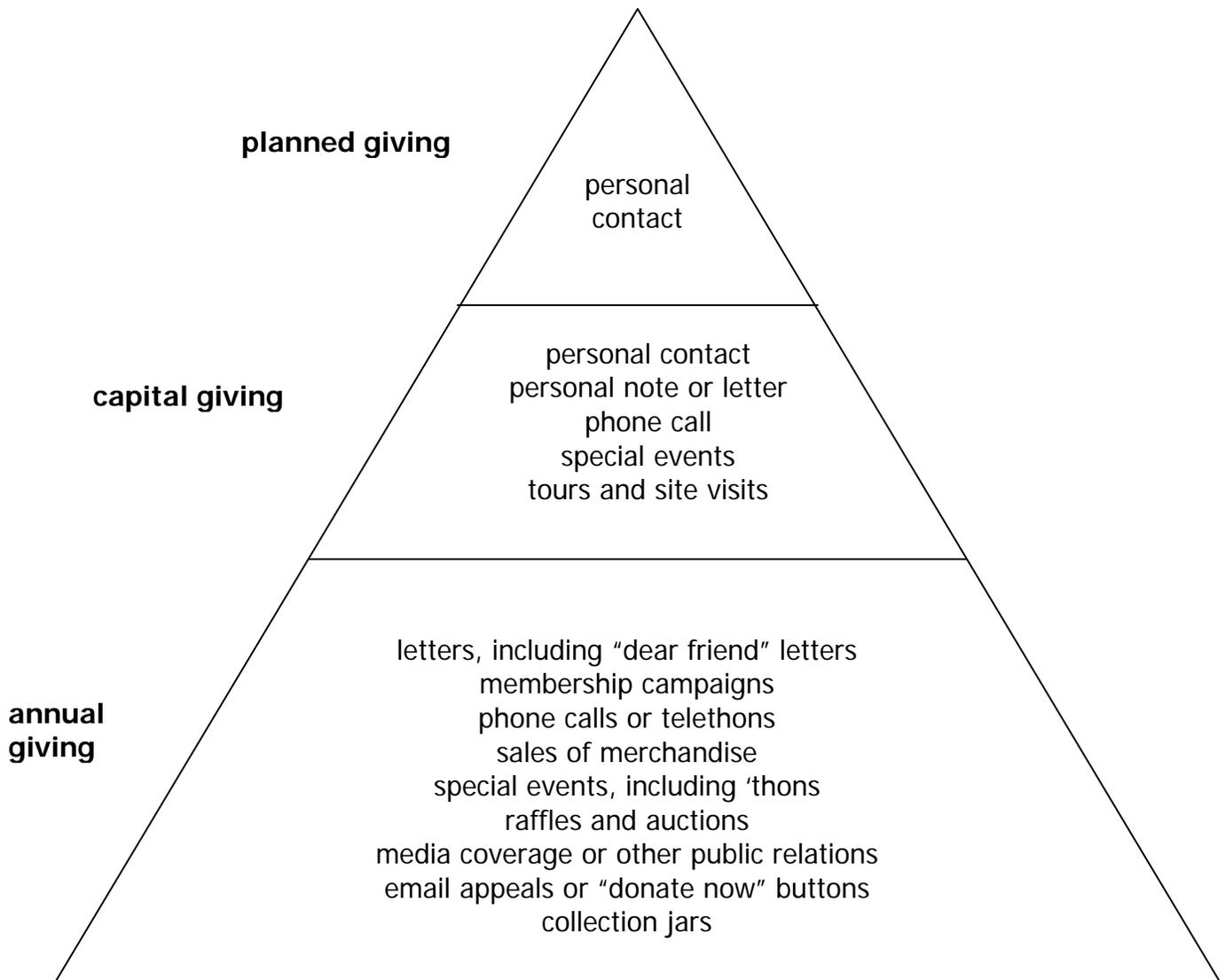
Action
Leadership
Sustainability
Competence
Basis of Legitimacy

It takes so much to be a full human being that there are very few who have the enlightenment or courage to pay the full price. One has to abandon altogether the search for security and reach out to the risk of living with both arms. One has to embrace the world like a lover. One has to accept pain as a condition of existence. One has to court doubt and darkness as the cost of knowing. One needs a will stubborn in conflict but apt always to total acceptance of every consequence of living and dying.

- Morris L. West

The Pyramid of Giving

The Language and Strategy Underpinning Fundraising Practice



The Development Process

The Objective

The Process

What is Required

Identify Potential Donors

List Development

Build list, identify,
research constituency

Convert Potential Donors
into Donors

Test list effectiveness,
identify linkages

Refine prospects process

Convert Prospect
into Donors

Build on linkages,
test interest,
ask, acknowledge

Solicit personal visit,
telephone, direct mail,
special events

Convert initial Giver
into Donor of Record

Build on interest and
linkage, ask, acknowledge

Report, use of gift,
invite to renew

Increase the Gift

Research,
build on interest,
linkages, inform,
ask, acknowledge

Report, involve,
invite to renew,
increase gift,
use gift club concept

Secure Special Gift

Continue research through
linkages involved,
build on increases, ask,
acknowledge members

Tell about special needs,
tell how money is used,
solicit personally,
invite to gift club

Secure Major Gift

Use all linkages to validate
as major donor

Involve in institution:
planning, case evaluation,
need determination,
events, letters

Secure Big Gift

Continue involvement
through linkages,
add to interests,
foster desire to give,
ask, acknowledge, reward

Report,
involve as advocate, involve
through cultivation events,
personal solicitation

Defining Development

The Language and Strategy Underpinning Fundraising Practice*

Annual giving: The primary fundraising method used to secure operating support for ongoing programs and initiatives; includes a variety of methods, from the impersonal to one-on-one solicitation; casting a wide net using a variety of techniques; in stable organizations, can provide a renewable, dependable and internally controlled source of funds year after year; generally made from donor's disposable income; virtually any organization can set out to attract annual donors, regardless of mission, staff size or other factors; annual giving refers to attracting new donors, and renewing and upgrading existing donors.

Capital Giving: Generally refers to an intensive, organized fundraising effort to secure gifts for specific projects; time period is usually one or more years; often refers to raising funds for a building, but can also be equipment purchases, endowment or scholarship funds and other special needs; requires significant planning and deep knowledge about the community and the interests and capabilities of current supporters.

Planned Giving: The integration of sound personal financial planning with the individual's desire to leave a legacy; most gifts are made from donor's assets; may be made immediately or in the future; gifts are often restricted towards a specific use (i.e. scholarship funds); generally require the services of a professional to complete; in some ways, a missed opportunity as a small percentage of Americans – between 6% and 20% depending on the study – make bequests to charities in their wills; because this type of fundraising requires a tremendous amount of cultivation and stewardship for gifts that will not be realized until a future date. Growth area, not about the tax benefits, it is about making a bigger gift than could otherwise.

The institutional case is a statement of the case and all the reasons why prospective donors may want to contribute. Clear and compelling case statements are a requisite to success of an institution's total development program and should focus on the constituents' needs!

Stewardship is the recording and tracking of contributions to ensure that the contributions are used exactly as the donor intended.

Stewardship Includes:

- Monitoring gifts
- Keeping the donor involved
- Tracking, reporting and recognizing gifts with a personal touch

The success of a fundraising campaign can be evaluated through:

- Percentage of participation
- Renewal Rate
- Average Gift Size
- Donor attendance at recognition events
- Special event ticket sales
- Number of gifts received

* Source is AFP

Creating a Comprehensive & Compelling Roadmap for Your Organization

Strategic Planning + Strategic Marketing = Changed Lives + Financially Sustainable Nonprofit Organizations

One effective model for an organizational self-assessment process is based on the work of Peter F. Drucker, the father of modern management:

What is your mission?

Analysis of your mission statement:

What problems in the world does your organization exist to solve?

What are the driving values of your organization?

What is the desired future because of the work of your organization?

- a "SWOT" exercise: listing of strengths, weaknesses, opportunities and threats
- critical issues: limit to no more than 3-5, as seen in the "SWOT"

Who is your customer?

What does your customer value?

- which leads to customer research: does anybody need/want; what we're proposing to do? Is there something we should stop doing?

What are your results?

- determination of the appropriate use of resources to support the programs: doing the right things at the right time with the right people
- and to budget analysis- can we afford what we're proposing?
- what other sources of revenue might support this activity?

What is your plan?

Lives Changed For the Better Because Your Intelligent Use of the Resources At Your Command

The You are Here Map

\$248.52 Billion Total For Philanthropic Giving in 2004

Where does money come from?

- 11.6% - foundations
- 4.8% - corporate & business
- 75.6% - individuals
- 8% - bequests

Who gets it?

- 35.5% - churches
- 13.6% - education
- 9.7% - foundations
- 8.8% - health
- 7.7% - human services
- 5.6% - arts & culture
- 5.2% - public society benefit
- 3.1% - environmental
- 2.1% - international
- 8.6% - unallocated gifts

How many nonprofits are there?

1.5 million in the U.S. – 9% of the GNP annually – employ more people than state and federal governments combined

- 20 million throughout the world
- ~ 6,000 in Southwestern Pennsylvania
- generate \$1 trillion in revenue world-wide
- only 5% are adequately funded

What are the sources of income for NGOs?

- 50% - fees, self-generated/earned revenues
- 30% - government grants and contracts
- 20% - philanthropy

* Information provided by Giving USA 2005, the Annual Report on Philanthropy for the Year 2004

Development Audit

Adapted from audit developed by Dallas Center for Nonprofit Management

Agency Description:

Agency mission:

Does this mission reflect who you currently want to be?

Agency history: Year founded? Why founded?

Most significant change over the years?

Most significant challenges?

Services offered:

If everything else is changing, what are we not willing to change?

What are our core values?

Other agencies offering the same services in area?

- How is this unique?
- What are possible strategic alliances?

Number of participants/contracts served each year:

Growth of client base for last three years:

Board of Directors:

Size of board:

- Is this the right size to accomplish its work?

How are board members identified, recruited and oriented?

Are there board subcommittees? Are they functioning effectively?

- For development/fundraising?

Is there an effective communication link between the development and the finance committee?

What does the board understand its role to be?

Does the board understand its role in fundraising?
How active have individual members been in fundraising?

Do most board members contribute financially at or near their capacity?

Does 100% of the board annually contribute?

Do You Have Board Members:

- From the corporate business sector?
- With access to funding?
- With special event expertise?
- With knowledge of annual giving?
- With experience with membership campaigns?
- What other skills are needed to raise sufficient dollars to advance the organizational strategic directions?

Staff:

How large is the staff?

Is there a director of development?

- Development staff? If not, which staff members are responsible for fundraising?

How long have key staff leaders been in place?

- Strengths/weaknesses of the development experience of the Executive Director? DD?

Do you offer competitive salary and benefit packages to attract the necessary talent to your organization?

- Turnover rate?

What does the organization see as critical staffing issues over the next three years?
How will those costs be addressed?

Does your organization have a succession plan developed for key staff changes?

Does the organization have adequate space in which to do its work?

What do volunteers fit in the organization's utilization of human resources?

Annual Budget:

What is the annual operating budget?

Do staff and board leaders have access to timely and accurate financial statements?

- Are the statements in a format that is meaningful and provides information to drive organization decisions?

What % of the annual budget comes from a fee from service?

What services are provided for a fee?

What % of the annual budget comes from contributed income?

What % of the contributed income comes from: (Give % & dollar amount)

- Government grants?

Foundations?

How many foundations?

- What is the gift range?

Corporations?

How many corporations?

- What is the gift range?

Individuals?

How many individuals?

- What is the gift range?

What constitutes a major gift?

- What is the procedure for securing a major gift?

Does the agency expect a dramatic loss in any of the donor categories?
(Loss of govt. grant, foundation or corporate grant)

Does the organization generally have enough cash on hand to meet operating needs?

Does the organization have a relationship with a bank or other outside source of cash to allow necessary borrowing?

What is the average age of payables? Receivables?

- How would you rate the financial sophistication of the staff and board?

Access to Donors (written documentation):

Is there a written agency long-range plan?

- When developed?
- Did both board and staff participate in the development of the plan?

- Does the plan reflect an external focus/research-based decisions/emphasis on customer?

Is there a 3-5 year fundraising plan?

Are there fundraising guidelines?

Is there an annual fundraising calendar?

Is there a written menu of benefits tied to gift size? (For consistency of response)

Reaching Donors: Individuals

How large is the database for individual donors?

- What information do you capture?

Is there an annual campaign?

- If so when does it take place?

Are there special events?

- When do they occur?

Is there a direct mail campaign?

- If so, when?

Is there an agency newsletter?

- If so, what is the frequency?

Is there a membership campaign?

- Retention rate? Outreach strategies?

Is there an auxiliary/volunteer group?

- What is their role in fundraising?

Is there agency in a capital campaign?

- Is one being planned?

How is technology being used to reach donors?

- E-philanthropy?
- How are donors thanked?

What is the Motivation for Giving:

Individuals - social contacts?

- Emotional cause?
- Volunteer opportunities?
- Partner to important community efforts in economic development, education?
- Replacing government services?
- Other?

How specifically does the board assist in these efforts?

Are there specific programs or projects that appeal to certain donors?

Who determines fundraising goals?

Who determines fundraising activities?

Who determines fundraising prospects?

What methods are employed to document results?

- Evaluation practice?

How clearly do you articulate your agency's success?

Who is Responsible for Implementing?

- Special events?
- Direct mail?
- Proposal writing?
- Major gift solicitation?

How does the board receive progress reports on fundraising goals?

How does evaluation of development efforts occur?

After completing the development audit, use the insights gained to begin a three year development plan that annually evaluates opportunities and ruthlessly eliminates unproductive activities.

Worksheet for a Diversified Funding Base

As the operating budget is prepared every year, an organization should consider whether or not a goal should be set in each of the categories listed below. Few small organizations have opportunities to raise funds from every category. Care must be exercised to select the fundraising techniques that will yield the greatest return on investment of money spent to raise the funds, not to exhaust small staffs and devoted volunteers with activities that don't raise much money.

When setting goals, always take into consideration what has occurred the previous year (or three) with that type of activity. Learn all that you can about other organizations' experience. But communities change and opportunities may occur. Also, it's important to consider whether or not it's time to stop doing some event or other form of fundraising. Make carefully considered strategic choices that balance opportunity with the realities of time and talent available to your organization.

In each category, list prospects and estimated amount of individual gift.

contributed income

Individual Giving:

	Last Year's Actual	This Year's Goal	Next Year's Goal	Third Year's Goal	Time of Execution
Membership/ Friends Of... (number & gift size)					
Annual campaign					
Special appeal					
Memorials					
Major gift campaign					

Business / Corporate Contributions:

	Last Year's Actual	This Year's Goal	Next Year's Goal	Third Year's Goal	Time of Execution
Support for Core Operations					
Project Support/ Cause-related Marketing					
matching employee contributions					
in-kind donations (goods & services)					

Foundation Support:

	Last Year's Actual	This Year's Goal	Next Year's Goal	Third Year's Goal	Time of Execution
Support for core operations					
Project support					
Major gifts					
Special appeals					

Government Grant Support:

	Last Year's Actual	This Year's Goal	Next Year's Goal	Third Year's Goal	Time of Execution
City					
County					
State					
Federal					
In Kind Donations					

.....
earned revenues

	Last Year's Actual	This Year's Goal	Next Year's Goal	Third Year's Goal	Time of Execution
Special events					
Sales of goods					
Sale of expertise					

Please consider as you plan:

Are these goals challenging, yet realistic for this time & this place? The best words in a fundraiser's vocabulary are **"We exceeded our goal!"** - motivation for the future starts there...

1. Successful events in your community?

- Source of in-kind donations for events? (Spend as little out-of-pocket as possible!)

2. Volunteer leaders with proven success in fundraising?

- Already on board? Recruitment plan?

3. Possible partnerships to strengthen your case to funders?

4. Have you put all activities on a calendar? Don't over-schedule - remember all activities have a beginning, middle and thank-you clean-up time! Be realistic about time availability of small, stretched staff and busy, committee volunteers.

Fundraising Planning Worksheet

Note: Complete a separate worksheet for each strategy

1. Classify your strategy

- | | |
|---|---|
| <input type="checkbox"/> Board Giving | <input type="checkbox"/> Major Donors |
| <input type="checkbox"/> New Member/Donor | <input type="checkbox"/> House Parties |
| <input type="checkbox"/> Acquisition | <input type="checkbox"/> Businesses |
| <input type="checkbox"/> Member/Donor Renewal | <input type="checkbox"/> Foundations |
| <input type="checkbox"/> Special Appeals | <input type="checkbox"/> Planned Giving |
| <input type="checkbox"/> Special Events | |

2. Quantify your goal

- Total dollars raised
- Number of new members/donors
- Percentage of renewing members/donors

3. Choose your action steps:

-
-
-

4. Identify who will do the work:

- | | |
|---|--|
| <input type="checkbox"/> Staff (Specify) | <input type="checkbox"/> Committee (Specify) |
| <input type="checkbox"/> Board of Directors | <input type="checkbox"/> Volunteers |

5. Set a deadline for each action step:

-
-
-

6. Determine costs, if any, for each action step:

- Postage, printing or supplies for mailings
- Refreshment and entertainment for events
- Printing t-shirts or other thank you items for donors

Agency Name
Fundraising Plan
Month X, 200X to Month X, 200X

Strategy	Goal	Action Steps	Who	When	Expenses
<i>Board Fundraising</i>	Raise \$2,000, an increase of 20% from last year	1. Proposed ID process & asking	Staff/BD Committee	June - Nov	\$0
		2. Board members make own gifts		by Nov	\$100
<i>New Member Acquisition</i>	250 new members	1. Four mailings to 1,000 prospects each (goal: 50 new members)	Staff	quarterly	\$2,000
	\$12,500 total in member dues	2. Each board member recruits three members (goal: 60 new members)	BD	May - Dec	\$0
		3. Events (goal: 50 new members)	Committee/Staff	May - Dec	see below
		4. General public relations (goal: 20 new members)	Committees/Volunteers/Staff	ongoing	\$0
		5. House parties (goal: 70 new members)	BD	Feb - Dec	see below
<i>Renewals</i>	330 renewals (66%)	1. Four mailings	Staff	quarterly	\$1,000
	\$20,000 income				
<i>Special Appeals</i>	\$5,000	1. Spring Appeal	FRC/Staff/Volunteers	by Feb 1	\$250
		2. Year-End Appeal	FRC/Staff/Volunteers	by Nov 1	\$250
<i>Special Events</i>	\$6,000	1. Auction (\$5,000)	BD/Volunteers	Feb	\$2,500
		2. Dinner-dance (\$1,000)	BD/Volunteers	Sept	\$200
<i>Major Donors</i>	\$50,000	1. Finalize MD plan	Staff/FRC	Jan	\$0
		2. Implement plan	Staff/FRC	Jan - Dec	\$1,000
		3. Plan and host gathering	Staff/BD/FRC	June	\$200
<i>House Parties</i>	\$10,000	1. Finalize dates for 10 gatherings	FRC/BD/Staff	Jan	\$0
		2. Hold gatherings	Hosts/BD	Apr - Oct	\$1,200
		3. Follow-up letters/calls	Hosts/FRC/Staff	each gathering	\$0
<i>Businesses</i>	\$10,000	1. Design and implement plan	Staff/FRC/BD	Feb - Dec	\$0
		2. Mail solicitations (3 mailings)	Staff/FRC/BD	Mar/June/Oct	\$200
		3. Business breakfast	FRC/Staff	May	\$500

Agency Name
Fundraising Plan
Month X, 200X to Month X, 200X

<i>Foundations</i>	\$80,000	1. Evaluate last year's grant program	Staff	Jan	
		2. Prepare this year's strategy	Staff	Jan	
		3. Prepare one more capacity grant proposal	Staff	Mar	\$200
		4. Prepare program grant proposal	Staff	May	\$100
<i>Planned Giving</i>	Future Income	1. PG seminar	Staff	Oct	\$150
		2. Request in every newsletter	Staff	3/yr.	\$0
		3. Open account w/local broker	Staff	by March 1	\$50
		4. Design/print PG brochure	Staff/PGC	by Sept 1	\$3,500
Total Goal: \$213,500			Total Expenses:		\$13,400

The Art of the Ask

Cultivation & Solicitation: *Explore the Art of the Ask. Who, when, where and how much? Even many of the most experienced fundraisers write plans that help them understand and track the nature of their relationships with their valued donors. Discuss how to bring newcomers into your organization and cultivate deep and lasting ties with your supporters, and how to integrate this work into on-going efforts.*

What makes a community leader?

In this session, we began with a discussion of the hallmarks of community leaders – people who can ask for money because they inspire other people to see a better future. Such people also inspire confidence by their integrity and ability to make things happen – even big things like reclaiming a stream bed so children might once again fish there!

But are they generous?

We then took apart the art of the ask. We explored the donor puzzle...For what? How much? Who should ask? When is the right time? Where should it occur? What materials do we need to have?

Why do they give?

We continued to explore the role of leadership and how best to approach a given prospective donor. What else in the community do they love? We looked at making the case...having reasonable answers for reasonable questions. What are the many reasons why people give? Trying to get into the head of your prospect and see the world from his perspective was encouraged by discussing the seven faces of philanthropy. Donors may be motivated by a desire to repay benefits that they have received in their life or they may be moved by their religious beliefs to be generous or they seek opportunities through philanthropy to meet new people. Donors give for many reasons. An effective fundraiser is interested to better understand their prospective donor's motivation and craft the request for support that responds to that person's interests and beliefs.

How do we best tell our story?

To pull all these thoughts into better alignment, each group worked on the Art of Storytelling. Groups were asked to identify some factual information about their watershed association (projects undertaken to date, upcoming projects, dollar value of projects, impact of projects, # of members, etc.). As many people also respond to stories, people were asked to also relate a personal story about their own involvement or a brief story about how a project has changed the community for the better. It is often effective to cite some research that illustrates the critical need for their work. If time allows, use all three! But in every case, they were strongly counseled to lose the jargon and speak authentically about things that matter. **Oh! And never leave without asking for the money...the membership...the sponsorship...**

How can we raise money fast?

This session also looked at some strategies for raising money FAST. Included were an article and a synopsis of an article from the Grassroots Fundraising Journal, the Bible for grassroots, social change organizations. *53 Ways to Get Your Board to Raise \$1,000* and the reality check article on "*They Said They'd Raise Money – Now What?*" offer great specific and practical ways to crack this perpetually hard nut for boards and fundraising...

Important Tools for Individual Solicitation

*With many thanks to Jerry Panas & Karen Osbourne at
The Institute for Charitable Giving*

The Donor Puzzle

Right purpose
Right amount
Right solicitors
Right time
Right place
Right participants
Right materials

The right gift purpose or outcome drives the right amount

Rating Potential Donors

Capacity – If they were so inclined, how much could they give?

Inclination – How closely affiliated, interested in your work, philanthropic are they?

Readiness – How much time is needed to cultivate before they are ready to say “Yes”?

Readiness Pipeline

A – Gift closed
B – Considering a proposal
C – Ready to be asked (0-3 months)
D – Focused cultivation (3-6 months)
E – General cultivation (6-12 months)
F – Time unknown

Types of Visits

- Qualifying
- Discovery
- Cultivation
- Stewardship
- Recruitment
- Solicitation

Name by Name Prospect List

Prospect Purpose Ask Highest Lowest Likely

N.B. The likely gifts need to exceed your goal!!!

Planning Your Next Move

Name Staff Readiness Capacity Ask/Purpose1 Ask/Purpose2 Next Move Date

Remember the 30/70 Rule!

Asking, sharing, "selling" 30% of the time
Listening to the donor 70% of the time

Major Gift Solicitation

“Make no little plans. They have no magic to stir the blood and probably themselves will not be realized. Make big plans; aim high in hope and work... Remember our children and grandchildren are going to do things that would stagger us. Let your watchword be order and your beacon beauty. Think big.”

-Daniel Burnham

The role of the Board in major gift solicitation

- Must be a major donor personally
- Vital and irreplaceable
- Devising the strategy – role of the staff person
- Prospects and the role of gossip – who did you play tennis with last week?
- Making the call – how to prepare the solicitors
- Debriefing – what did you hear?
- Follow-up and follow-up and follow-up – patience, persistence and courage
- Thanks and acknowledgement

Developing the case

- Think comprehensively – all the techniques of good grant writing...
- Who are your natural partners? Who benefits from your work?
Why do they benefit?
- No jargon – simple and clear
- Don't be shy about showing pride and enthusiasm
- Focus on your customer – what brands are you serving at your party?
- Look for community partners – who else do they love?

Before the solicitation occurs

- God is in the details
- Your friends are a good source of information about how to craft your case – share the wealth
- A word about zero-sum thinking
- The pre-call materials – summarize other gifts made to similar causes, previous gifts to your agency (KNOW THE HISTORY!!), brief statement of specific program support you're seeking and the AMOUNT OF MONEY you seek – keep something in your back pocket – “*I have another idea!*”

Making the call

- Anatomy of a call – plan for 30 minutes
 - Five minutes – *small talk* – look around for something to compliment or start a conversation
 - Ten minutes – *making the case* – succinct and interesting points, a mix of statistical and anecdotal information; *everybody talks*
 - Ten minutes – *the Ask* - clarifying the donor's interest, probable gift range, timing issues
 - Five minutes – *in conclusion* – indicate follow-up, next steps; others to educate?
- Use of campaign materials – be careful – don't lose them in the paperwork – look professional, but not extravagant
- Try to follow with a thank you letter the next day

Donor recognition

- Clear and fair donor recognition on guidelines
- Menu of benefits – reasons for people to upgrade their gifts
- Information, information – don't let me hear about it on the street
- Timely and gracious – check and re-check the spelling
- Your request was not an invoice – be nice even when your heart is aching and you don't know from where the next \$\$\$ are coming
- After thank-you, when does the next cultivation phase begin?

A Few Notes on Solicitations

Teaching solicitation – it is a skill and it can be taught

People need to work out of their own personalities and use their genuine self as the person who is in the room with the prospect

Listening – loving people – connecting – believing their enthusiasms are important – they are not merely vehicles for your will – well, not entirely...

Beyond body language – being fully present in the engagement

The vital importance of will in the fundraising equation – put your whole self in!

The Objections file – answering objections – dealing with other causes

Don't be afraid to stick up for your cause – your obvious commitment is vital

Balance statistics with stories – know your budget – understand the numbers, but never lose sight of the reason for the money and the appeal of demonstrating human contact/impact with the gifts made

Know the history and reference it – the earth didn't cool when you were born, especially not in Pittsburgh! Look for the patterns of interest by previous gifts made to you or to others – test for confirmation of these or other new interests as you talk with the prospect

Honor their intimacy – look for connection to family or life's work – connect!

Accept that disappointment and rejection are part of the game – it hurts, but resilience and optimism are the most powerful tools in your kit. If the cause is good and you've done your work to prepare a good case, you will succeed if you can discipline yourself to persevere...

On the other hand, know when to fold them with an individual donor – believe them when they say No – when you've tried everything you know to do...

This is the act of courage: to see things as they are and still believe that the victory lies not with those who avoid the bad, but those who taste in living awareness, every drop of the good. - Victoria Lincoln

The Development Process

The Objective

The Process

What is Required

Identify Potential Donors

List Development

Build list, identify,
research constituency

Convert Potential Donors
into Donors

Test list effectiveness,
identify linkages

Refine prospects process

Convert Prospect
into Donors

Build on linkages,
test interest,
ask, acknowledge

Solicit personal visit,
telephone, direct mail,
special events

Convert initial Giver
into Donor of Record

Build on interest and
linkage, ask, acknowledge

Report, use of gift,
invite to renew

Increase the Gift

Research,
build on interest,
linkages, inform,
ask, acknowledge

Report, involve,
invite to renew,
increase gift,
use gift club concept

Secure Special Gift

Continue research through
linkages involved,
build on increases, ask,
acknowledge members

Tell about special needs,
tell how money is used,
solicit personally,
invite to gift club

Secure Major Gift

Use all linkages to validate
as major donor

Involve in institution:
planning, case evaluation,
need determination,
events, letters

Secure Big Gift

Continue involvement
through linkages,
add to interests,
foster desire to give,
ask, acknowledge, reward

Report,
involve as advocate, involve
through cultivation events,
personal solicitation

The Seven Faces of Philanthropy: Where does your prospect fit?

When working on a major gift or capital solicitation, it is vital to consider each donor's motivation for making a significant gift. All decision flow from this analysis. These insights affect the tone of the conversation, the particular details of the request, the intensity of their willingness to give sacrificially – and after consideration of financial capacity, ultimately – how much can you ask?

Too often, solicitors start and end their solicitation preparation with the financial analysis. They forget that capacity does not equal desire – and that desire ultimately is the engine of the gift decision.

These categories are offered as a guide to your thinking when asked to approach an individual donor. They are provocative to consider when approaching a foundation or corporate donor, as well. In every case, philanthropy is a human exercise.

The Seven Faces of Philanthropy

The Communitarian: Doing Good Makes Sense

The Devout: Doing Good is God's Will

The Investor: Doing Good is Good Business

The Socialite: Doing Good is Fun

The Altruist: Doing Good Feels Right

The Repayer: Doing Good in Return

The Dynast: Doing Good is a Family Tradition

Applying the Seven Faces framework, the following questions must be asked:

1. How has your nonprofit organization (NPO) expressed appreciation to donors for their fundraising on behalf of your campaign?
2. How has your NPO shown donors that their volunteer activity is valued?
3. How does your NPO show donors that their recruiting of other volunteers is valued?
4. How does your NPO show donors that personal donations are valued?

The Art of Storytelling

Building the Case for Support

A good solicitation makes several key points

- You must know the programmatic and financial facts of the organization. Anticipate reasonable questions and have those answers ready. Stress your core competencies and how this program is integral to them.
- Learn the history of the organization, especially if it relates to this particular donor. Genuine gratitude and respect is a lovely thing to behold.
- You should try to bring the vitality of your organization into the room with you. Paint verbal pictures. Practice judicious use of anecdote to illustrate your mission, vision and goals.
- Show your own personal passion and involvement. Briefly describe how the organization has affected your life or how it has provided the opportunity for you to learn, grow and contribute to something that is personally meaningful. It's still true that people give to people – and that you show yourself as a leader by the depth of your commitment.
- Cite research or statistics to buttress your point. Again, be selective and interesting. Resist the urge to overwhelm your listener with erudition.
- Ask for the money in a clear and organized fashion. Be ready to defend the use of the money from several perspectives.
- Ask for information on how this decision will be made. Ask for permission to follow-up. Try to understand reasonable time frames.
- Leave plenty of time for questions and discussion.
- Budget 60-90 minutes, but make your most important points early. Unexpected things can happen to make the meeting shorter.

Just the Facts, Ma'am

The following exercise was developed for us in board training for face-to-face solicitation, but should also be helpful to staff solicitors as you organize your thoughts.

List five compelling facts about your organization.

1.

2.

3.

4.

5.

Mind Pictures

What's the best image, as detailed as possible, that comes to mind when you think about your own participation in this organization?

Cite research done, formal or informal – bring other voices into the room!
Relate specific events

Again, discuss something distinctive and specific to your organization.

Adjectives

What makes this organization so special?

What was your most outstanding achievement?

Ask for the Money!

What is the most important use of this money?

How does this gift:

Support the mission?

Make use of previous philanthropic investments?

Promote long-term sustainability?

Relate to the overall budget?

Build the viability of the project or organization?

Final Checklist

Did you ask more than you told?

Did you advance the relationship with your donor by getting to know more about their philanthropic inclinations, personal values and where your organization fits within their priorities?

Remember the 30/70 Rule!

30% is your voice selling, telling and asking

70% is the donor sharing ideas, questions, interests, values and willingness

Raising Money in 30 Days

Sometimes an organization needs to raise funds in a hurry. It's easy to say, "You should have established a fundraising plan earlier!" That's probably true, but it doesn't help now. Here are some ways to raise modest funds in a pinch. Because institutions (like foundations, government, service clubs) take longer to make decisions than individuals, raising money in 30 days usually involves asking individuals for donations.

Each of these techniques can raise a lot or a little depending on who is doing the organizing. For example, a house party in one organization can raise \$1,000 in one evening, while in a few others it can raise \$100,000. In either case, the amount raised is likely to be a significant help towards whatever financial situation you are facing. Every technique is one I have seen first-hand to be effective.

1. Have a phone-a-thon four days in a row, Monday through Thursday of one week. Get all the board members to gather at the organization's office (or one of your offices) at 5pm. Practice how you're going to ask for donations on the phone and order pizza. Divide up the lists of members, donors, clients, patrons, neighbors, or whatever lists you have. Call them.
2. With your executive director, ask government, foundation, and corporate funders to renegotiate your grant agreements. Everyone knows the economy is sliding – it won't be a surprise to your funders if your grants, contracts, and donations are down. Ask for a meeting, for example, with a county funder, and see whether they would be willing to have you provide fewer shelter nights or fewer senior meals, without reducing your contract payment. Tell a foundation funder that the grant they gave you to hire a second librarian needs to be spent just to KEEP the first librarian. Many funders appreciate the significance of board leadership on these matters, and remember: obtaining an agreement for a lower amount of services for the same money is often as good as getting more money.
3. Send out a 2-page letter to your members, volunteers and donors. Explain that you are on a 60-day fundraising campaign and ask for a donation. If you can, follow up with phone calls.
4. Give yourself a birthday party, half-birthday part, or anniversary part, and tell people that it is a fundraiser for your organization where you volunteer as a board member. Have a donations box at the door or food table and have a volunteer sit there and ask people (in a friendly way!) for contributions. You don't have to make a "pitch"...just thank people for coming and making a donation to something that's important to you.

5. For the next meeting, get a list of the 30 biggest donors and at the meeting, divide them up among the board members. Call to get an in-person appointment with each donor to explain the organization's situation and ask for a donation. At the appointment, ask for a donation that is twice as large as the previous donation. "We really appreciate the \$500 you donated this year. Would you consider doubling that gift – and making a \$1,000 gift this year?"
6. In today's economic climate, ask people who are working. Some of those people with big houses have been out of work for a while and may be short of cash. Focus your attention on people who have jobs.
7. If you have lots of members and volunteers, have a garage sale. Get a huge amount of stuff together, sell it on both days of a weekend. Have a couple of great organizers do a barbecue there, too – perhaps with foods related to your organization's work.
8. Go to your biggest donor and ask her or him to make a challenge grant. "We need your help to raise some special money right away. Would you consider making a gift of, say, \$20,000, contingent on our raising \$20,000 within 60 days? That would help motivate us on the board as well as the people we ask."

And now for some "don'ts"

1. DON'T say you need donations because you're in a financial crisis. Say, "We are determined to get through this economic time, and we need your help."
2. DON'T promise that you won't ask for another donation. Instead, say, "We know we are asking you to stretch to help our clients right now. This is an unusually situation for us – we do raise money every year, but this is an especially important year."
3. DON'T ask for a loan instead of a donation. If someone offers you a loan instead of a donation, say, "Your offer of a \$2,000 loan means a lot to me. But I can't accept a loan on behalf of our organization. Could we ask you instead for a donation of \$100 per month for 20 months?"

Thanks to San Francisco fundraising consultant Burke Keegan for help on this article. You can order her book at www.burkekeegan.com.

The following related articles from the *Board Café* are found at www.boardcafe.org.

- Five Things One Board Member Can Do to Raise \$500 to \$5,000 (May 1999)
- True or False: The Board Should Raise Money (March 2002)
- Thinking About Going Out of Business (June 2000)
- The Right Way to Go Out of Business (July 2000)
- Loans from Board Members (January 2003)



Fifty-Three Ways for Board Members to Raise \$1000

by Kim Klein

All good fundraising plans have one thing in common: they show a diverse number of sources for their income. The board of directors plays a crucial role in selecting, implementing, and evaluating fundraising strategies. In addition to other ways that board members may participate in fundraising, they individually commit to raising and giving a certain amount of money, or commit to working by themselves on specific strategies with no financial goal attached.

It is a good idea for board members doing fundraising on their own to write up their plans. This “contract” allows staff to know when they might be called on to help, ensures that events don’t happen on the same day or the same donors aren’t solicited by several board members, and also helps to remind board members of their commitments.

In order for this method to work, the organization or the board fundraising committee should think of many specific ways board members could actually raise money by themselves. The fifty-three ways suggested below are not an exhaustive list, nor will they all work for every group. Few board members could use all fifty-three ways, but

almost any board member should be able to use two or three of them.

All of these methods have been used by different volunteers in a wide variety of organizations. Some methods are much more popular than others. Some depend on access to certain resources.

Presenting board members with fifty-three ways that would work for your organization helps counter the excuse, “I would help but I just don’t know what to do.” Having each board member write out a plan, with goals and a timeline, also gives them a sense that if they do their best with this plan, they will have helped significantly. Many board members feel that fundraising is never ending, and that no amount of effort is enough. “Whatever I do, I could have done more and probably should have,” they say. This feeling of inadequacy leads to high turnover, burnout, and resentment in boards. Specific fundraising contracts can help avoid that result.

Following the description of the fifty-three ways board members can raise funds, there is a suggested format for a contract and examples of some completed contracts.

1. Give it yourself. This is the easiest way for those who are able, although if you are able to give this much money you should be helping to raise much more than \$1000.

2. List all your friends who are interested in your organization or similar organizations. Decide how much you want to ask each one for. If you are not sure of an amount, use a range. Write to them on your own stationery, include a brochure from the organization and a return envelope. Phone those people who don't respond in two weeks. Some people will need 10 friends to give \$100, and some people need 50 friends to give \$20. Most people will need a combination of gifts of \$100, \$50 and \$25.

3. Give part of the \$1000. Then ask your friends to join you in giving \$50, \$100, or whatever amount you gave. This is most effective because you are not asking them to do anything you haven't done.

4. Set up a challenge campaign. Challenge gifts can be quite small. Tell people you'll give \$5 for every \$25 they give, or will match every \$50 gift up to ten gifts. For added suspense, make this challenge during a fundraising event. You or the host can announce, "We now have the Dave Buckstretch Challenge. For the next five minutes, Dave will give \$5 for every new member that joins Worthy Cause."

5. If your organization has several grassroots fundraising strategies in place, use them all:

Sell 100 raffle tickets (@\$2)	\$200
Give \$200	\$200
Sell 10 tickets to the annual event (@ \$25)	\$250
Buy two gift memberships (@ \$25).....	\$ 50
Get 12 friends to join (@ \$25)	\$300

6. Help with your organization's phone-a-thon. Bring the names of people you think would like to join and call until you have raised \$1000. Or trade names with someone in the organization and call their friends until you have reached \$1000. This is particularly effective for people who are shy about asking their own friends for money but are not afraid to ask people they don't know.

7. Acquire mailing lists for your organization. If you belong to another group, perhaps you can set up an exchange, or perhaps you have access to a list of members of some other group. You can ask all your friends to give you the names of 10 to 15 people they think would like to join. You would need to recruit about 25 members at an average gift of \$40. Depending on how "hot" your list is, you might need as few as 200 names (to do a bulk mailing) or as many as 1500-3000 (if you expect a 1-2% response). You would have to have a greater response if you wanted the mailing to pay for its costs and also generate \$1000.

8. Give the organization something they need that is worth \$1000, such as a new computer, filing cabinets, couch, software program, etc.

9. Pledge \$28 a month, and get two others to do likewise.

10. Teach a seminar on a topic you know: fundraising, knitting, organic gardening, organizing, proposal writing, environmental impact reports, gourmet cooking, dog grooming, starting your own business. Charge \$50-75 per person, with a goal of 15 to 20 people. Either absorb the cost of promotion, or have enough participants to cover it.

11. Give some or a lot of things to your organization's garage sale, making sure they are worth \$1000, and then help to sell them all.

12. With four or five friends, have a spaghetti dinner at a temple, church or union hall or other big room with a large kitchen. Charge \$10 per person and feed more than 100 people. You can charge extra for wine or garlic bread, or for dessert.

13. Have a fancy dinner at your home or a regular dinner at someone's fancy home. Serve unusual or gourmet food, or have special entertainment. Charge \$40 or more per person, and have 25 or more guests.

14. Get three friends to help you have a progressive dinner. Start at one person's home for cocktails and hors d'oeuvres, progress to the next person's house for soup or salad, the next person's for the main course, and the last person's for dessert. Either charge by the course or for the whole package. To make it extra special (and much more expensive), get a limousine for the evening that carries guests from house to house, or have live music at each site.

15. Host a house party. Do not charge admission and invite as many people as you can. During the party, give a short talk about your organization and ask everyone to consider a gift of \$25, \$50, \$100 or more (depending on the crowd). Either pass out envelopes and ask people to give then, or after the party contact everyone individually who came and ask for a major gift. Indicate that you have given and, if appropriate, how much you have given.

16. Get your gambling friends together. Charge a \$5 entrance fee and have a poker evening, asking that every "pot" be split with the organization. Individuals win and so does the organization. You can charge extra for refreshments, or include one or two glasses of something with the price of admission. (Watch the laws in your community on this one. In some communities it is illegal to gamble, even in your own home.)

17. Do one fundraising event every other month. This might look like:
 Poker Party..... \$200
 Fancy dinner (8 people \times \$50)..... \$400
 Sell 50 raffle tickets @\$2..... \$100
 Book sale \$200
 Recycle newspapers \$100

18. Solicit small businesses, churches, synagogues or service clubs for \$1000. If you are active in a church or you own your own business and are involved in business organizations or service clubs, this can be very effective. You can often raise \$200-\$1000 with a simple proposal and oral presentation.

19. Take a part-time job in addition to your present work and give everything you earn up to \$1000.

20. Ask five to ten people to save all their change for three to five months. You save yours. Count it at the end of the prescribed time and use one of the other methods to raise the rest. (You may not need to.)

21. Ask two to five friends to help you put on a bake sale, book sale, or garage sale. You and your friends bake the goodies or get the books or the other stuff required for the sale, staff it and clean up afterwards. This is an excellent way to get people involved in fundraising without ever actually asking them for money.

22. For the fairly rich: Give your organization \$13,000 as an interest-free loan for a year. They invest it, earn 8%, and at the end of the year, they give your \$10,000 back.

23. Sell your organization's materials, buttons, T-shirts, bumper stickers, or whatever else they have for sale. Also, help distribute these to bookstores or novelty shops.

24. The Farming Out Method: Entice five friends to sell 100 raffle tickets at \$2 each, or invite ten friends to raise \$100 however they like. Share this list of suggestions with them. Give them a nice dinner at the successful end of their efforts (or a bottle of good wine, or a weekend away).

25. Get a famous or popular person to do a special event. Watch the costs on this, or you may lose money.

26. Invite people to your birthday party and ask that in lieu of gifts they give money to your organization.

27. Conduct a volunteer canvas. For one evening, you and a group of friends take literature to all the neighborhoods around you and ask for money at the door. Be sure to comply with city and county ordinances.

28. Lead or get someone to lead a nature walk, an architectural tour, a historic tour, a sailing trip, a rafting trip, or a horseback ride. Charge \$15-\$25 per person, or charge \$35 and provide lunch. Advertise the event in the newspaper to draw in people from outside your organization.

29. Start a pyramid dinner, or a chain dinner. Invite 12 people and charge \$12 each. Get two people of the twelve you invited to invite 12 people each at \$12, and two people from each of those two dinners to have 12 people at \$12, and so on. Here's the income:

Your dinner $\$12 \times 12$ \$144
 From your dinner $\$12 \times (12 + 12)$ \$288
 From those dinners $\$12 \times (12 + 12 + 12 + 12)$ \$576
 From those dinners $\$12 \times (12 \times 8)$ etc.

Twelve is used in this example because it worked very well for the Nuclear Freeze Campaign in California, which was Proposition 12. In many communities, most of the income for the campaign was generated by 12×12 dinners.

30. Collect cans for recycling. Ask all your friends to save their cans and bottles for you and turn them in to a buy-back recycling center.

31. Sell your frequent flyer miles to friends or donate them to the organization for a raffle. Watch the rules of the airline on this, but some airlines let you give away miles, and you may be able to sell your miles as long as you don't go through a mileage broker.

32. If you live in a nice house or own a getaway cottage in a beautiful place or an expensive city, rent it out for a week or a weekend two or three times during the year and give the proceeds to your organization. Or rent a room in your home for much less than the cost of a hotel room to people needing a place to stay while they are on business in your city. You may even make a new friend in the process.

33. Organize a service raffle. Get four people (one can be you) to donate a simple but valuable service that many people could use and sell raffle tickets for \$10-\$20 each. Keep the price a little high so you don't have to sell so many and so that the buyers have a higher chance of winning. Services can include childcare for a weekend or for any weekend night two weekends in a row; one day of housecleaning; yard work; house painting (interior or exterior), etc. Sell the tickets to neighbors, work mates and to other board members. Encourage people to buy several by offering discounts for multiple purchases, such as one for \$10, 2 for \$20, but 3 for \$25, 4 for \$35, 5 for \$40. If you are really bold or live in a more affluent area, or have few friends, sell the tickets for \$50 each. A full day of housecleaning for \$50 is a real bargain, and buyers have a high chance of winning with fewer tickets sold.

34. Offer to do something your friends and family have been nagging you to do anyway and attach a price to it. For example, quit smoking on the condition that your friends donate to your group, or get your friends to pay a certain amount for every day you don't smoke for up to 30 days. Agree to match their gifts at the end of thirty days if you didn't smoke and to give

them their money back if you did. (This method could be applied to other healthy behaviors, such as exercising or not eating sugar.)

35. Find out what items your group needs and try to get them donated. This is good for people who really hate to ask for money but who don't mind asking for things that cost money. Items that one can sometimes get donated include computers, office paper and other office supplies, office furniture (second-hand from banks and corporations as they redecorate), fax machines, adding machines, food, even cars.

36. If you or someone you know owns a small business that has regular customers who receive a catalog or announcements of sales, write them an appeal letter for the organization. Your letter can say something like, "You are one of my best customers. As such, I let you know about sales coming up and good things happening in my store. Today, I want to tell you about another good thing—what I do when I am not minding the store." Then go on to describe the group and ask for a donation.

37. Similar to #36, post this letter on your Web site. Link to the organization's Web site and ask people to donate.

38. If the organization doesn't have a Web site or doesn't keep their Web site up, ask all your techie friends to donate \$100 each and hire a Web Master.

39. Give it yourself. (This is so good I have to say it twice.)

40. Strategy with a long-deferred payoff (we hope): leave the group a bequest.

41. With similar hopes as above, get friends to include the group in their wills.

42. Ask friends who belong to service clubs, sororities, antique collecting groups, support groups, bridge clubs, etc. to discuss your organization in their group and pass the hat for donations. A once-a-year sweep of even small groups can yield \$100 from each.

43. For the church-going: ask if your organization can be a "second collection." The church passes the plate for its own collection and then you or someone from your organization gives a brief talk (or sometimes the whole sermon) about your group and the plate is passed again; the proceeds go to your group.

44. A variation on the above is to organize a "second collection Sunday" and get as many churches as you can to take up a second collection for your organization on the same Sunday. Someone from your group will need to be at each service and give a brief talk. Second collection Sundays can be very lucrative: the Catholic Campaign for Human Development collects as much as \$20 million on one Sunday in all the participating Catholic churches in the United States.

45. If, as a child, you collected something avidly that you now store in a basement, consider selling it. Coins and stamps are particularly valuable and have usually increased in value over the years. But your collection of rocks, toy ships or rockets, arrowheads, or dolls can also be valuable. When you donate the income from the sale, you can deduct that amount from your taxes—an added bonus of this strategy, since you probably paid little or nothing for the items in the collection.

46. Have a sidewalk sale or garage sale for your whole neighborhood or building. Go around to your neighbors and tell them you will take their stuff outside and sit with it all day to sell it if they will donate half or all of the proceeds to your group. Since this is stuff people want to be rid of anyway, it is a good deal for them. In one apartment building with ten units participating in donating stuff, an organization netted \$3,000 in one day. Three people from the organization helped with the selling. With a few high-ticket items, such as a washer/dryer or some nice lamps, you can make good money.

47. If you have an artistic bent, offer to design greeting cards to specification for organizations or individuals for a fee. If you are good at calligraphy, sell your skills to schools for graduation announcements, friends for classy but low-cost wedding invitations, or just fun certificates such as "World's Greatest Dad" for Father's Day or "Outstanding Friend." Create unique Halloween costumes or masks. Donate the proceeds from your artistry.

48. Create a take-off on the "adopt-a-highway" technique by naming budget items of your group as available for adoption. You could develop a flyer that reads, "The following items have been found near death from negligence and abuse. Won't you help? \$25 per month will ensure that our computer is maintained. \$100 per month will release our photocopy machine from toiling with no toner and a dying motor. (We can lease a new one.)"

49. An idea for people who live in border towns: Get permission to place a large container in stores or even at the airports of towns near national borders. Have a sign that asks people (in several languages) to throw in any coins or paper money they have not exchanged. Many times people leaving Canada or Mexico don't have time to exchange all their money or cannot exchange their loose change. Multiply this times hundreds of shoppers or travelers and you can make a lot of money. UNICEF does this in many European airports.

50. Hold an "I'm Not Afraid" Auction. You can do this with just a few friends or hundreds of people if you have enough items to auction. You survey a few people (and use your own common sense) about what things need to be done in their home or office that they are afraid of or would really

rather not do. This is different from a service auction—there has to be an element of dread in the activity. For example, some people cannot wash their windows because their apartment is too high or the second story of their house is too high and they suffer from vertigo. If you are not afraid of heights, you can sell your window-washing service (bring a sturdy ladder). This goes for drain cleaning, minor roof repairs, antenna fixing, etc. Or, if you are unafraid of cockroaches or spiders, you can offer to clean out that dark corner or garage or basement for a small fee. Snakes can be found in gardens and woodsheds, but maybe that doesn't bother you. The problem doesn't need to be as serious as phobia. How about allergies to dust, pollen, weeds? If you don't have them, you can mow, sweep, clean for a fee. By marketing it as an "I'm Not Afraid" Auction, you also have the option for people to name something they need done to a group of volunteers, and then have a volunteer say, "I'm not afraid to do that." In that case, you will need a set fee for service.

51. Similar to the suggestion above is the "Details Auction." This is for all your friends whose desks are overflowing with papers or who can't get their receipts in order to give to the tax preparer or who complain they can never find anything. If you are a well-organized person, offer to clean up their

desk, get their Rolodex in order, file their papers, etc. If you like to shop, sell that to people who don't and do their holiday shopping for them, or buy birthday, baby shower or niece/nephew presents for them. Anything that people feel they cannot control is the organized person's fundraising dream come true.

52. Find out which of your friends (perhaps this is true for you also) work in corporations with matching gift programs. Then ask them to donate and get their gift matched for your organization, and ask them to ask their co-workers to donate and get their gifts matched.

53. Think of a store or service related to your organization or where a lot of your members shop. Ask the store to donate a percentage of profits for a certain day or week, or even forever. You can also explore this with mail-order firms. Then you advertise widely to friends, family and members that Joe's Florist will give 2% of each sale during Valentine's weekend to anyone identifying themselves with your group.

As you can see, almost all of these strategies involve asking for money and giving money yourself. These are the basic premises of fundraising—you must ask, you must give. Everything after that involves creativity, imagination and a sense of fun.

Samples of Fundraising Commitments by Board Members or Other Volunteers

Sample agreement form to be filled out by volunteers:

I, _____, will help Effective Organization raise \$ _____.

My Gift: \$ _____.

Indicate how payment of this gift is to be made. (i.e. by pledging monthly or quarterly, or one lump sum, etc.)

I will also:

1. _____

Goal: \$ _____.

Staff help needed: _____.

Date of event: _____.

Date to begin planning event: _____.

2. _____

Goal: \$ _____.

Staff help needed: _____.

Date of event: _____.

Date to begin planning event: _____.

I am interested in more training in fundraising. ___ YES ___ NO

You may contact me for other fundraising efforts. ___ YES ___ NO

Here are three examples of how people filled out similar agreements. Their names and organizations have been changed.

Example 1

I, Matthew Cornwall, will help Community Organizing Project to raise \$250.

My gift: \$5/month = \$60

I will also:

1. Ask four friends to pledge \$5/month. I hope at least 2 will say yes, which makes \$120. No help needed.
2. I will sell \$70 worth of raffle tickets. (If any of my friends win the cash prize, I will ask them to donate half of it.) No help needed. I will ask my friends by May, and sell the raffle tickets before the drawing. You can also ask me to help with other events if you need me.

Signed: _____.

Example 2

I, Jane Mahoney, will help the Women's Rights Organization raise \$1000 in the next calendar year.

My gift: \$250, paid in one lump sum in January.

I will also:

1. Organize and teach a seminar on organic gardening. I plan to have 20 people come at \$25 each. I will pay for advertising.

Goal: \$500

Planning: I will need some help finding a free room for the seminar, but no other staff help is needed.

Date of seminar: March 15.

Date to begin planning: Jan. 15.

2. I will contribute my couch to the garage sale. It is worth \$100, but I will sell it for \$50. I will buy a classified ad in the city newspaper telling people where to come to look at it. I will also help at the sale.

Goal: \$50

Date: Whenever the garage sale is.

Planning: I need the staff to tell me the date of the sale a month in advance so I can get the ad in the paper.

3. I will work on the phone-a-thon. I will bring the names of 25 people and call them myself that evening, and will call anyone else I have time for.

Goal: 20 people actually joining @ \$15 = \$300

Date: June 15

Planning: No staff help needed for my participation in the phone-a-thon.

Note: I plan to go \$100 over my \$1,000 goal, so that in case something goes wrong I will still make my goal.

Signed: _____.

Example 3

I, Carol Benson, will help the Advocacy and Action Task Force to raise at least \$500.

My gift: \$50 paid in one lump, as soon as I can.

I will also:

1. Solicit a new computer for our office. I will work on this until March.
2. If that fails, I will solicit a fax machine. (I know some people in the office supply business so I think I might succeed.) I will work on that until May. No staff help needed, I don't think, but if there is, I'll give plenty of notice.
3. If the above two fail, I will have a barbecue at my house on the Fourth of July. At least thirty people will come and pay \$10. Goal: \$250 (I will take \$50 out for my expenses.) Staff help needed to send out invitations and prepare food.
4. I will get two other board members to help me do a big bake sale at Suburban Shopping Center. We will get all the baked goods donated and be there all day Sunday, June 14.
Goal: \$200 (maybe more)

Maybe I'll do the last two anyway even if the first one or two are successful. Don't plan on it, though, and don't ask me to do anything else unless you are truly desperate.

Signed: _____.

Kim Klein is co-publisher of the Grassroots Fundraising Journal.

They Said They Would Help Raise Money ...Now What?

12 Tips to Help Board Members Hold Each Other Accountable

...a synopsis of an article in the Grassroots Fundraising Journal, July/August 2007

Many times, board members would rather have their back teeth extracted than do fundraising for their nonprofit...and if no fundraising culture exists, even well-informed board members have a hard time making fundraising plans stick...here are twelve tips from the always practical and helpful Grassroots Fundraising Journal to help the well-intentioned be successful!

- 1. Identify a Sparkplug or Coach or Cheerleader – a team of sparkplugs – then empower them to lead.**
- 2. Develop a board agreement or job description that includes fundraising.** Have a real discussion about this part of the description as it is being developed so that it doesn't come as a surprise to anyone. Encourage each board member to make a decision about what a personally meaningful gift is to them.
- 3. At each board meeting, everyone self-reports.** Don't make this the last item on the agenda and build a culture that allows people to be candid – and accountable to each other.
- 4. Create a line item for board giving.** Conduct board discussion of the amount the board can collectively give. Board fundraising contracts that make a plan for each board member and define money given by the individual board member from the money they intend to help raise are helpful.
- 5. Create a line item for board fundraising.** They money above and beyond their own giving...discuss, set a dollar amount and review progress at each meeting. If board and staff do something together, credit the board member to build enthusiasm and to promote future engagement.
- 6. Solicit challenge gifts based on board behavior – not necessarily tied to dollars raised.** To build a fundraising culture, behavior must change...and people learn solicitation techniques...so ask the foundation or other major donor to reward behavior – 20 asks could still receive the challenge gift...certainly in the asks, it would be strongly put to the donor that their gift would be matched/expanded, but the board members would get credit for trying...

- 7. Provide regular fundraising training to your board.** At your annual retreat...at a conference...short sessions throughout the year at meetings.
- 8. Invite a group of your donors to talk about why they give.** This is powerful. Board members will learn what motivates, how to talk about their work in ways that resonate with people – it's interesting! And it helps to demystify the process.
- 9. Offer rewards to board members who make an effort.** Laud, praise and honor those who work on your behalf. Maybe a gift certificate from a local restaurant or some other small gift as a thank you for their help.
- 10. Make it competitive.** Some boards – and some people – will respond well to be in a contest. You can divide into teams or keep a thermometer. Healthy competition can add to the bottom line.
- 11. Define real consequences for not meeting commitments.** When defining the board job description, have the conversation about what happens if someone doesn't live up to these expectations. If nothing happens, very often nothing else happens.
- 12. Bring in new blood.** New people, recruited with a clear understanding what fundraising is part of the job can really affect the culture for the better.

Telling Your Story:

Writing a Proposal That Receives All the Funding!

Proposal Writing: *Identify your best prospects and avoid common pitfalls. This workshop covered approaching a foundation or corporate giving program; understanding their requirements; preparing your case for support; presenting your case to a program officer or foundation trustee; developing the supporting information; and avoiding the most frequent mistakes.*

Moving beyond writing the Growing Greener proposal

Most of the largest requests for funding require a written document to receive the gift. Many of CWA volunteers had only used a Growing Greener proposal form. These grants are not written to persuade as much as to document the community need and the ability of the CWA to execute the project as specified in the proposal. PA DEP is already aware of the need in general and decisions are to be strictly made on an objective basis.

When a CWA appeals to a foundation or a major donor, they certainly must clearly establish the need and their technical expertise. But appealing to foundation, business or individual donors also involves persuasion and invitation. So, this session's intent was to provide the participants with the tools and information to be successful in this expanded arena of potential funding.

Are there standard templates I can use?

We began with a review of the Grantmakers of Western Pennsylvania's Common Grant Application. Not only is it the required or preferred format for many of the regional grantmakers, it is also a good template for beginning grant seekers.

Why won't my proposal be successful?

After examining the elements of effective grantwriting, we looked at twelve common reasons grant proposals are declined. Many of those reasons are attributable to a poorly developed case for support. The case needs facts, urgency, participant involvement, evidence of coordination with other like organizations – and it must be well-written, meet the guidelines of the foundation and be within their normal allocations for similar type projects. Underlying all of these reasons is an assumption that the grant seeker has carefully researched the interests and funding boundaries of the grantmaker.

How can I best demonstrate that we have clarified and verified?

The importance of specifying the method of evaluation to be used and using evidence to justify a demonstrable community need cannot be overstressed. All funders are routinely asked by many more groups and for much more money than they can productively address. The session handouts included an article about using data to support your grant applications. Philanthropy is maturing and grantmakers are becoming ever more rigorous in their own evaluation of the impact of their investments.

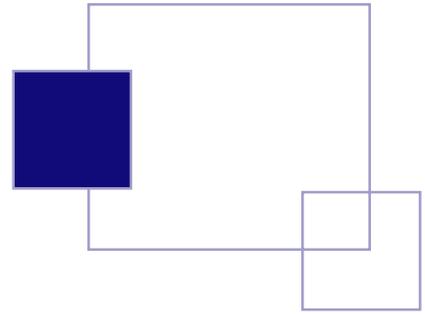
How do I demonstrate that my organization is credit-worthy?

Further, another Holy Grail of modern grantmaking is the concept of sustainability. This word means...you *won't be asking me every year and for ever-increasing amounts of money, will you?* It is important for funders to see other supporters of your organization as well as your realistic plans for the future to keep your association solvent and producing good work. This is tough as times seem to be perpetually uncertain, but having a budget that projects new sources, tied to an on-going exploration of new revenue sources is the best answer to these legitimate questions.

What's the first step? ...and how can I think like a funder?

The session also included a discussion of the letter of inquiry that is frequently required by a foundation prior to submission of a grant request. An excellent sample is included. Then we circled back and looked at the Grantmanship Center's proposal checklist. We ended by giving the participants an opportunity to think like a funder, using a case study of the Milton & Lotta J. Affluence Foundation. This exercise helped everyone pull together the principles of an effective case for support and experience what it's like to be on the receiving end of passionate, needy grantseekers. It's a big old world out there – and the grantmakers are under enormous pressure to complete what government can no longer finish.

**Make no little plans.
They have no magic to stir the blood and
probably themselves will not be realized.
Make big plans; aim high in hope and work...
Remember our children and grandchildren
are going to do things that would stagger us.
Let your watchword be order and your beacon beauty.
Think big.
~ Daniel Burnham**



Common Grant

APPLICATION FORMAT

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■ Before You Begin - Strategies for a Successful CGAF

WHAT IS THE PURPOSE OF THE COMMON GRANT APPLICATION FORMAT (CGAF)?

Grantmakers of Western Pennsylvania created the Common Grant Application Format in 1996 to simplify the process of requesting and making grants. It is designed to benefit both grantseekers and foundation and corporate decision-makers who review grant proposals. It is not a form to be filled in. It is a format to be used as an outline for organizing and writing proposals.

HOW SHOULD YOU USE (AND HOW SHOULDN'T YOU USE) THE COMMON GRANT APPLICATION FORMAT?

Read this entire document before you begin. Pay attention to the instructions for preparation that follow. You may duplicate the forms if necessary. Copies can be downloaded at www.gwpa.org, or obtained from The Foundation Center at The Carnegie Library of Pittsburgh, 414 Wood Street, Pittsburgh, PA.

TIP

Do not simply produce a mass mailing of a single proposal. Take care to tailor each request, particularly in the cover letter and the executive summary, to the specific interests of each funder.

HOW SHOULD YOU START?

Know your purpose. Clarify your organization's priorities and purpose in seeking funds.

WHAT SHOULD YOU DO NEXT? RESEARCH, RESEARCH, RESEARCH.

Conduct research to identify foundations and corporations that make grants to your type of organization and in your geographic area. Use the resources of The Foundation Center (as outlined on page 9), visit websites, request annual reports and obtain proposal guidelines. Make certain that the purpose of your proposal fits within the funder's guidelines. Now you are ready to consider writing a proposal. But, first, find out about each funder's application process. Some do not want a proposal right away. Many want you to begin by writing a letter of inquiry. Suggested guidelines for a letter of inquiry are included in the addendum on page 10. Do not write a full proposal if a letter of inquiry is required.



Common Grant Application Format Outline

ENSURE YOU SUBMIT A COMPLETE APPLICATION

A complete application should include the following items in the order indicated:

- A. Cover Letter
- B. Common Grant Application Format Cover Sheet (Page 5)
- C. Executive Summary
- D. Narrative (which is based on the CGAF guidelines)
- E. Attachments (as indicated on Page 4)

Further explanation of each item is provided below and on the following pages.

TIP

Submit the correct number of copies. This will vary with each organization. Be sure to check each funder's requirements.

A. WRITE A COVER LETTER.

Write a one-page cover letter that includes the following:

- Name of the program.
- Purpose of the program.
- A strategic reason for the funder to consider the program.
- Amount requested.
- Time period of the program or project.
- Name of the contact person and contact information.

The letter should be signed by the board president or chairperson and the executive director. If the proposal is a collaborative request, signatures of the participating organizations' representatives must be provided.

B. COMPLETE THE COMMON GRANT APPLICATION FORMAT COVER SHEET (PAGE 5).

C. WRITE AN EXECUTIVE SUMMARY OF THE PROJECT, PROGRAM OR CAMPAIGN.

Write an executive summary that includes:

- Brief description of the project.
- Outcomes you plan to achieve.
- Who the project serves and why it is important.
- Why your organization should receive the funds to implement the project and how the funds will be spent.

D. WRITE A NARRATIVE.

Write a narrative that follows the CGAF outline below, using the headings and subheadings provided. As long as the narrative flows in the designated order, feel free to include information that you believe is important to make your case. The questions reflect the general interests of grantmakers, but are not intended to be all inclusive. If a question is not applicable, explain. If a problem exists that might detract from the credibility of your organization or project, address it briefly; do not avoid or dismiss it.

Avoid including the same information in different sections of the narrative. Be thorough, yet strive for brevity. More is not necessarily better.

TIP

Share your passion, your organization's uniqueness and strengths and how you will make a difference through your outcomes.

1. Organizational Information.

Provide background on your organization. If you are an affiliate of another organization, please describe.

- State your mission.
- Summarize your organization's history.
- Outline current programs and activities.*
- Highlight accomplishments.

*If you are applying for a general operating grant, these items may be similar to the ones indicated on the following page under "Purpose of Grant." Just include them in one place.

TIP

Be clear and succinct. Differentiate yourself from similar or competing organizations.

■ Common Grant Application Format Outline

2. Purpose of Grant.

If you are completing a proposal for a project or program or for operating funds, follow “a” instructions below. If you are completing a proposal for a capital campaign, follow “b” instructions below.

a) Project, Program, and Operating Funds Requests

- **Problem and Need.** Identify the problem to be addressed and the needs to be met by the project. What unique service(s) would the community be deprived of if you do not undertake this project? Provide supporting data.
- **Program/Project Goal.** Describe the goals and overall impact of the project or program.
- **Program/Project Design.** Describe your program objectives, activities, strategies, staffing, partners, timelines and explain how the design will enable you to address the problem or need. Identify the project as a new or continuing program.
- **Sustainability.** Specify your plans for financing the project at the termination of the grant. List other financing sources or strategies that you are developing.

TIP

If a similar program or device has been conducted by your organization or another, please discuss its impact. Does it represent an expansion or duplication of services in your area? If it doesn't, define its potential to serve as a model program locally or nationally.

b) Capital Campaign Requests

Describe the proposed campaign, including goals and objectives.

- **Purpose and Outcomes.** Describe the goals and desired outcomes of the campaign.
- **Need.** Identify the need/problem to be addressed, target population and number of people to be served.
- **Status and Timetable.** Define the campaign as new or continuing and provide information on its status. Include a timetable for implementation and completion.
- **Partners.** If appropriate, identify any other participating organizations in the campaign and their roles.

- **Leadership.** List the campaign leadership and their affiliations.
- **Regulations.** Identify regulatory approvals, if required.
- **Organizational Impact.** Discuss implications of this campaign in relation to the organization's ongoing operational expenses.
- **Sustainability.** Specify your plans for continuing your progress at the termination of the grant, particularly if operating expenses are projected to increase at completion of the capital project. List other financing sources or strategies you are developing.

TIP

If timing is a critical factor or a “window of opportunity” exists that impacts the success of your capital campaign, please elaborate.

3. Evaluation.

Interim and final evaluation and expenditure reports will be required for every grant awarded. It is important to design your evaluation process at the outset and begin to collect data from the beginning of the project, program or campaign.

- **Outcomes.** Describe the proposed program or project outcomes, with reference to long-range plans of the organization. What outcomes do you want to produce by the end of the first year, second year, etc.? If your program is continuing, what intended outcomes have been achieved thus far?
- **Measurement.** Outline your plan to document progress and results. How will you measure expected outcomes and the effectiveness of your activities? What will be your criteria for success? What tools will you use to evaluate your program and organization (records, surveys, interviews, pre- and post-tests, community feedback, etc.)?

TIP

Set measurable goals and specify your plans to communicate with the funder during the grant period.

Common Grant Application Format Outline

E ATTACHMENTS.

Include the following attachments in the order indicated:

1. Verification of 501(c)(3) tax-exempt status and public charities status.

- Copies of the advance or definitive IRS determination letters indicating 501(c)(3) tax-exempt status and public charities status.
- Copies of the pages of the most recent 990 showing public charities status and public support.

2. Organizational structure.

- List of officers and directors, including occupations, places of employment, diversity spread (age, gender, race), and other relevant affiliations.
- List of key staff members, plus résumés and job descriptions of key personnel involved in the project.

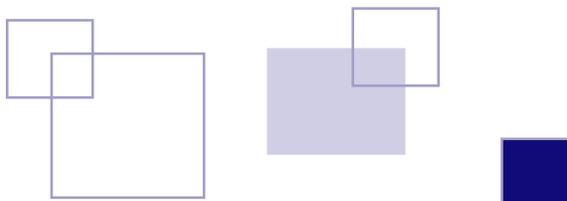
3. Financial information.

- **Program/Project Budget or Capital Campaign Budget.** (See Page 7 for sample format.)
- **Organization's Current Operating Budget.** Itemize all expenses and revenues.
- **Grant Request (Project) Budget.** (Depending upon the request, this could be a subset or the same as the program or operating budget.)

TIP

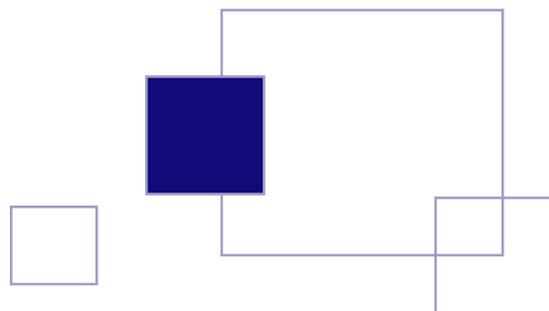
Budgets should reflect the financial contributions of other funders and potential funders, with amounts committed or requested, and including public funds, individual contributions, and other sources of income supporting the project or capital campaign.

- **Cash Flow Budget.** Some funders may ask for a cash flow budget. Check with the organization for its specific requirement.
- **Audited Financial Statements.** Include audited financial statements for the most recent year.



For capital campaign requests only, also include:

- **Fundraising Strategy.** Describe your fundraising strategy by donor categories. List other foundation and corporate funders and the amounts committed or requested. Include all public funds and individual contributions supporting the project.
- **Board Participation.** Specify the amount to be raised from your board.
- **Summary of Most Recent Capital Campaign.** Outline the campaign goal, amount raised, board contributions, and beginning and ending dates.
- 4. **Letters of support.**
If you are collaborating with other organizations or have a need that you want to substantiate, you should include letters of support.
- 5. **Organizational information.**
Annual report or strategic business plan, if available. (Please do not send videos or other unsolicited information.)



■ Common Grant Application Cover Sheet

Date of Application: _____

Legal Name of Organization: _____
(Should be the same as on IRS determination letter and as supplied on IRS Form 990)

Year Founded: _____ Current Annual Operating Budget: \$ _____

Executive Director: _____ Email: _____

Contact Person/Title (if different from Executive Director): _____

Address (principal/administrative office): _____

City: _____ State: _____ Zip: _____

Mailing Address, if different from above: _____

Phone: _____ Fax: _____

Website: _____

Project Name: _____

Purpose: _____

Amount Requested: \$ _____ Total Project Cost: \$ _____

Project Goals: _____

Beginning and Ending Dates of the Project/Campaign: _____

Geographic Area to be Served: _____

I CERTIFY, TO THE BEST OF MY KNOWLEDGE, THAT:

1. The tax-exempt status of this Organization is still in effect,
2. This Organization does not support or engage in any terrorist activity, and
3. If a grant is awarded to this Organization, the proceeds of that grant will not be distributed to or used to benefit any organization or individual supporting or engaged in terrorism, or used for any other unlawful purpose.

Signatures:

President, Board of Directors

Date

Executive Director

Date

■ Common Grant Application Budget Format

An accurate, detailed budget for proposed projects is a requirement of every funder. Your total budget should be broken down into the items specified below. As long as your budget is typewritten and contains the required information, you may submit it in a format convenient for you. A sample format with suggested revenue and expense categories follows.

A. BUDGET HEADING

- Specify the budget period (e.g., January 1, 2004 to December 31, 2004).
- Specify the requested amount and the total cost of the project.

B. REVENUE

If the requested amount is different from the total cost of the project or campaign, itemize all confirmed and anticipated sources of revenue, and provide a revenue total. Refer to the following example for possible revenue categories. Also, indicate the amount of funds, if any, for this project that will be drawn down from your operating budget and/or reserve fund or endowment.

C. EXPENSES

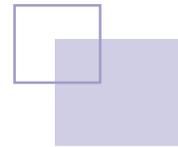
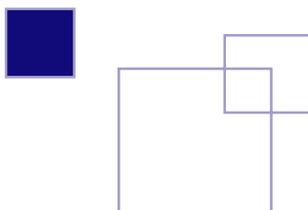
Itemize your expenses and provide an expense total. Include any additional items relevant to your particular program, project or campaign.

D. NARRATIVE

This section should include:

- A list of assumptions on which the budget was based.
- An explanation of any unusual budget items.
- The percentage of overhead applied to the project should precede the itemized listing, if applicable.
- In-kind expenses and donations or matching funds should also be described.
- If your organization has affiliates and/or subsidiaries, please explain.

See next page for sample project budget format and categories.



■ Common Grant Application Budget Format

E. SAMPLE PROJECT BUDGET FORMAT AND CATEGORIES

REVENUE	Committed Funds	Pending Funds
1. Grants/Contracts/Contributions		
Local Government		
State Government		
Foundations (itemize on separate lines)		
Corporations (itemize on separate lines)		
Individuals		
Other (specify)		
2. Earned Income		
Events		
Publications and Products		
3. Membership Income		
4. In-Kind Support		
5. Other (specify)		
TOTAL REVENUE		
EXPENSE	Amount Requested In This Proposal	Total Project Expenses
Personnel		
Salaries and Wages* (see Example below)		
Payroll Taxes		
Benefits		
Consultants and Professional Fees		
Travel/Professional Development		
Operations		
Rent		
Utilities		
Telecommunications		
Postage/Messenger		
Printing and copying		
Equipment		
Supplies		
Other		
TOTAL EXPENSE		
*(Example)		
Full-Time Personnel		
Executive Director \$xx,xxx		
Staff Position #1 \$xx,xxx		
Staff Position #2 \$xx,xxx		
Staff Position #3 \$xx,xxx		
Part-Time Personnel		
Staff Position #4 \$xx,xxx		
Staff Position #5 \$xx,xxx		
Staff Position #6 \$xx,xxx		
SURPLUS (DEFICIT)		
	TOTAL REVENUE	
	(TOTAL EXPENSE)	
	TOTAL SURPLUS (DEFICIT)	

■ Participating Foundations, Corporations and Organizations

Following is a list of foundations and corporations that accept the *CGAF* as of July 2004. For the most up-to-date listing, visit www.gwpa.org, “Community Programs and Services” section, “Resources for Grantseekers.”

Note: Many funders do not want to receive a complete proposal initially. Instead they may ask you to submit a letter of inquiry as the first step. (Suggested guidelines for writing a letter of inquiry are contained in the Addendum on page 10.) Be sure to research each funder’s preference.

Allegheny Foundation	Earl Knudsen Charitable Foundation
American Eagle Outfitters Foundation	Laurel Foundation
Bayer Foundation	The Glenn R. Logan and Rhea Jean McCandless Logan Trust
Beaver County Foundation	Massey Charitable Trust
Beckwith Family Foundation	McCune Foundation
Birmingham Foundation	Katherine Mabis McKenna Foundation
The Buhl Foundation	Mellon Financial Corporation Fund
Buncher Family Foundation	Mellon Private Wealth Management
Community Foundation for the Alleghenies	Richard King Mellon Foundation
Community Foundation of Fayette County	National City Bank of Pennsylvania
Community Foundation of Greene County	The Pittsburgh Foundation*
Community Foundation of Westmoreland County	PNC Advisors Charitable Trust Committee
Community Involvement Foundation	PNC Advisors Private Foundation Management Services
Dollar Bank	PNC Foundation
Dominion Foundation	Pitcairn-Crabbe Foundation
Donahue Family Foundation	POISE Foundation
DSF Charitable Foundation	<i>Post-Gazette</i> Charities
Duquesne Light Company	PPG Industries Foundation
Eat’n Park Hospitality Groups	The Donald & Sylvia Robinson Family Foundation
Eden Hall Foundation	The Stackpole Hall Foundation
FISA Foundation	Staunton Farm Foundation
Maurice Falk Fund	St. Margaret Foundation
The Forbes Funds	Sunoco Chemicals
Founder’s Trust	United Way of Westmoreland County
Grable Foundation	United States Steel Foundation, Inc.
H.J. Heinz Company Foundation	Valley Care Association
Hillman Foundation	Wagner Family Charitable Trust
Roy A. Hunt Foundation	Washington County Community Foundation
Mary Hillman Jennings Foundation	Raymond John Wean Foundation
Jewish Healthcare Foundation	Hilda M. Willis Foundation
The Junior League of Pittsburgh	

**Excluding the A. W. Mellon Fund and special initiatives*

Note: Many other foundations may welcome it if you follow the Common Grant Application Format. You may wish to contact them and ask if this is appropriate.

■ The Foundation Center – A Local Resource for Grant Seekers

The Foundation Center at the Carnegie Library of Pittsburgh is part of a nationwide network of grants-information libraries. It is an affiliate of The Foundation Center, a national clearinghouse for information on philanthropic giving headquartered in New York City. The library's collection includes books, periodicals and pamphlets about:

- Grants and Funding Organizations
- Philanthropy
- Proposal Writing
- Nonprofit Management
- Fundraising
- Volunteerism

A sample of directory, index, book and periodical titles includes:

- *Directory of Pennsylvania Foundations*
- *National Directory of Corporate Giving*
- *The Foundation Directory*
- *Getting Funded: A Complete Guide to Proposal Writing*
- *Foundation Grants Index*
- *The Proposal Writer's Swipe File*
- *Foundation Fundamentals*

The Foundation Center also:

- Offers low-cost seminars on a variety of topics related to grantwriting and grantseeking
- Has annual reports from local and national foundations
- Produces a quarterly newsletter. (Call to get on the mailing list or the email list.)

TIP

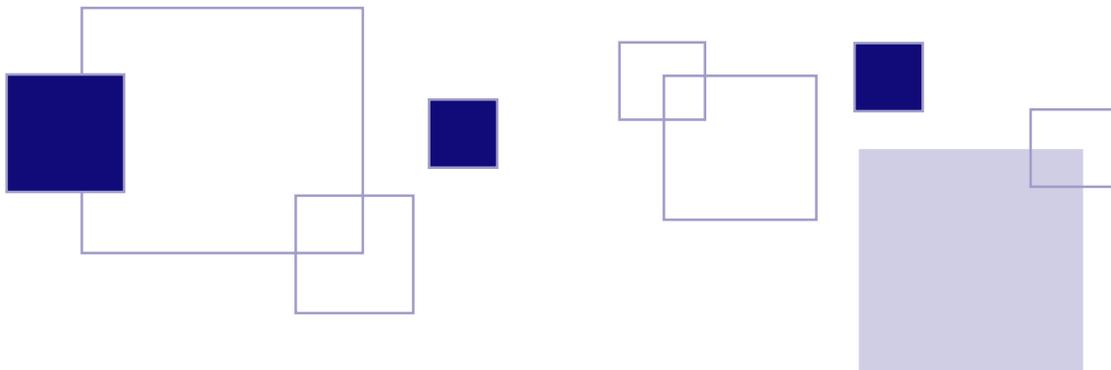
It is advisable to call The Foundation Center and make an appointment with an advisor who will assist you in conducting a search for potential funders.

For information, call or visit:

The Foundation Center
The Carnegie Library of Pittsburgh
612 Smithfield Street, Pittsburgh, PA 15222
Phone: (412) 281-7143

<http://carnegielibrary.org/locations/foundationcenter>

(The Foundation Center will move to the Smithfield Street location in Fall 2004 - call to verify new location.)



■ Addendum

LETTER OF INQUIRY - SUGGESTED GUIDELINES

Many foundations request that interested applicants send a letter of inquiry (or letter of intent) before submitting formal grant proposals.

Before submitting such a letter, be sure to conduct research to identify foundations and corporations that make grants to your type of organization and in your geographic area. Make certain that your purpose for seeking funds fits within the foundation's guidelines. Check each organization's website or annual report for an outline of its letter of inquiry and its grant guidelines.

Letters of inquiry should be concise, generally one to three pages and should be signed by the organization's Executive Director or Board Chair. Below is a list of suggested information to be included:

Organization

- Brief description of organization
- Address, telephone number, fax number, email address
- Name of contact person

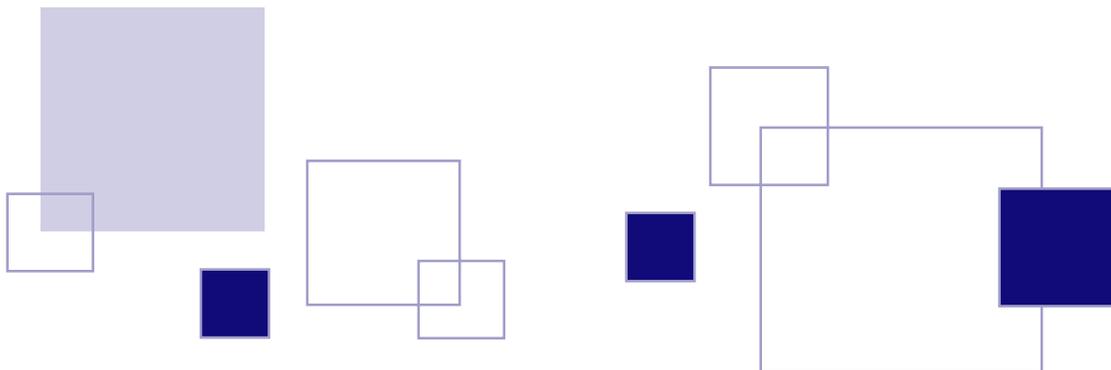
Project or Program

- Summary – one sentence statement of proposed project or program
- Overview – purpose, objectives, goals, how project relates to funder's priorities
- Description – target population, specific action plan, timeframe and duration
- Implementation (and results) – qualifications for executing proposed project expected outcomes, how effectiveness will be monitored and evaluated, plan for continuance at conclusion of requested funding
- Cost – amount requested, total project cost, private and public funding sources (pending and received)

Attachments (each funder may have specific preferences for information to be included)

- IRS 501(c)(3) determination letter
- Mission Statement
- Board of Directors list

In addition, many funders request that their application sheet or the Common Grant Application Cover Sheet be attached to the letter of inquiry. Be sure to check with the respective funder for its preference.



Twelve Common Reasons Grant Proposals are Declined*

1. The problem hasn't been documented properly.

If your facts are fuzzy, it can be difficult for someone who is not familiar with the problem to fully understand what it's all about. Use a few clear, compelling statistics to paint a picture. How many lives are affected? How does this impact the community? How long has this been going on? When possible, draw on studies that document the problem and support your case. But remember that too many facts and figures can be just as confusing as none. Highlight the most essential pieces of data.

WEAKER: This is a critical problem for children in our area.

STRONGER: More than 20% of children in Allegheny County will face this problem before the age of 12.

2. The problem does not strike the reviewer as significant.

Writing a proposal is a little like drawing a map. Describing your house to a new visitor won't help them if you don't also provide street names. Your proposal should describe the work, but must also explain how it fits in the community. Detail the lasting impact and the consequences of inaction.

WEAKER: RFF can provide a wide range of services to young people between the ages of 18 and 24, who have spent at least three years in the foster care system. Services include job training in cooperation with the local VCC, educational assistance with college applications and FAFSA forms and our Smart Choices workshops.

STRONGER: Many kids transitioning from the foster care system flounder, experiencing high rates of drug and alcohol abuse and homelessness. RFF services – educational and vocational opportunities coupled with life skills coaching – help young people build healthy lives and establish themselves as successful, independent members of the community.

3. Prospective clients, students or patrons have not been involved in planning.

Objective data can help establish a problem, but input from the community served demonstrates that a proposed solution is well planned and stands a good chance of success. We may be experts in our field, but if clients can't travel to our locations or aren't interested in the planned exhibits, our programs will fail. Sound planning requires subjecting ideas to a reality test.

WEAKER: Southland Senior Center has an unparalleled track record of meeting the needs of economically disadvantaged, isolated senior citizens in South Metropolis City. Because the population of East Metropolis is equally lacking in access to healthcare, mental health services and activities, our Board of Directors has launched a capital campaign to open a second center at an appropriate site in East Metropolis City.

STRONGER: Pastor Elin DeAngelis of EMC Lutheran explains “the average age of our congregation is now over 60. Since bus service has been cut back, many of our members are stuck in their homes, day after day.” A focus group of area residents in their 60s and 70s confirmed Pastor DeAngelis’ comments, with one 82-year old woman noting, “we need a place to meet that isn’t a fast food joint, to look out for each other and know that someone is looking out for us, too.”

4. The proposal is poorly written and/or difficult to understand.

Proof read, proof read and proof read again. Awkward sentence structure, missing punctuation and misspellings can obscure your message. If possible, get someone else to proof read, too. But just as importantly, be merciless when evaluating use of language. Clever phrases look great on our computer monitors. But do they best convey the meaning? Strive for clarity, even if it means sacrificing a witty alliteration or play on words. Active language helps, too. Try to trade the verb “is” for something more expressive.

WEAKER: GoodWorks, Inc. treatment plans are effective; efficient; and efficacious.

STRONGER: GoodWorks meets patient needs through individualized treatment plans.

5. Proposal objectives do not match objectives of the funding source.

This one seems obvious, and yet it happens all the time. When it looks like there’s a fit, take some time and dig a little deeper. Look at the work of recent grant recipients. Read the language used to describe the foundation’s goals. Even the best proposal won’t be funded if it doesn’t meet the established criteria. When in doubt, call or submit a letter of inquiry before drafting the proposal.

NOTE: Language doesn’t count here. No matter how compelling your case, if the funder isn’t interested in your mission, it won’t be funded!

6. Proposal budget is not within range of available funding.

If you are an optimist, it might be seem logical to ask for more. After all, maybe the funder is having a great year and has a little extra to give. That could happen. But asking for a super-sized gift can backfire and get your proposal tossed in the “no” pile without serious consideration. Even cautious grantseekers can stumble. Check the average gift ranges published in directories, but then look at variations by program area or type of gift. Some

fundors only write large checks for capital campaigns; your seed money proposal for a new program might be a great fit, but only if the request is modest.

NOTE: Again, language is not the top concern. Look closely at your request and compare it to recently funded initiatives. If you've made a six figure request, while most grants are less than \$50,000, it may be rejected rather than just funded at a lower dollar amount. Why? If it will take \$140,000 to launch the new project and they've given you less than half, it is reasonable to think that the project may stall while the organization raises more money.

7. Proposed program has not been coordinated with other individuals and organizations working in the same area.

Collaboration is difficult, but funding duplicative services can be needlessly wasteful. If there are reasons your organization can't cooperate with a similar provider, be honest about those concerns. But understand that funders are interested in collaborative efforts because they want the same things we do – to see grant dollars have maximum impact. Some cooperation is obvious. If two programs have foster care programs, could some of the foster parent training be combined? Other efforts take some real creativity and compromise. It starts by knowing the others in your field, however that is defined – maybe a senior center and a childcare program in the same neighborhood could benefit from cooperative programming. Or perhaps your animal shelter can learn from a social venture launched by an animal shelter in California. Partnership or shared information means two things: you've done your homework, and you're making wise use of charitable investments.

WEAKER: We must address the myriad challenges confronted by teens in our neighborhood.

STRONGER: By partnering with the local high school and three after school programs hosted by local churches, our apprenticeship and mentoring program will provide a critical bridge from existing programming to lifelong success for area youth.

8. Funding source does not know the capabilities of those submitting the proposal.

Grantmakers want their grants and their grantees to succeed. With limited dollars, little wonder that there is a tendency to fund an organization with a track record of successful planning and executing their work. This is one reason why mailing proposals to foundations without any prior contact is usually a fruitless effort. But it also means that proposal writers must be clear about their organization's capacity. Be sure to mention any external indicators that demonstrate excellence. If you don't have an award or certification to cite, think about the outcomes data that you're already collecting and see what might support your case.

WEAKER: JHM serves 300 seniors in the city of Metropolis each year.

STRONGER: In 2004, JHM was recognized as a Metropolis City Center of Excellence by the Agency on Aging, for providing outstanding health care to homebound seniors.

OR: For the past three years, JHM has surveyed the homebound seniors we serve, as well as their family members and medical providers. On a scale of five, we have consistently received a 4.6 or higher average in all customer research. As one physician noted, "JHM provides the highest possible standard of care to a vulnerable clientele and does so with an attitude that is both professional and warm."

9. Project objectives too ambitious in scope.

Chances are you weren't going to suggest that your agency could end worldwide hunger in the next twelve months with a grant of \$20,000. But sometimes we don't immediately see how ambitious our programs appear. Funders question not only our ability to deliver on ambitious goals in the proposal under consideration, but the impact it might have on our existing work. And sometimes the project *looks* grand, but is actually just a really good idea that can dramatically increase our impact. Be honest with your colleagues about whether or not a proposal's goals are realistic and, if you conclude they are, make sure to explain how it will work.

WEAKER: A grant of \$50,000 for the purchase of two art vans will allow the Metropolis Museum of Art to reach 8,000 new schoolchildren in districts currently cutting back or eliminating arts education.

STRONGER: Our arts education department has steadily built relationships with classroom teachers and administrators in underserved districts, currently reaching nearly 2,000 children each year through field trips at the museum. However, limited school budgets mean that a small number of children can participate. By purchasing and equipping two art vans and using networks of active parent volunteers in the partner schools, our educators can reach four times as many children by taking art projects directly to the kids.

10. Writer did not follow guidelines provided by the funding agency.

This *sounds* like an easy mistake to avoid – just read the directions, right? But as anyone who has assembled Ikea furniture knows, sometimes the directions can be a little unclear. Do your best to follow any written guidelines from the outset, but if you're unclear, ask! Often a colleague at another agency can tell you if the Bighearted Foundation prefers a two page proposal or a novella; even better, if you've built a relationship with the program officer, ask about proposal length when you first discuss submitting a proposal. Most of the time, the challenge is to whittle a lengthy proposal down to a few pages. In this case, just like with proofreading, finding a fresh set of eyes can be the best approach.

NOTE: If your proposal is rejected, see if you can find out why. If you've made a mistake as to format, but the idea was sound, ask if you can edit and resubmit at a later date.

11. Insufficient evidence that project can sustain itself beyond the life of the grant.

This is, perhaps, the most frustrating reason for rejection. And yet it has become increasingly common, as foundations urge nonprofits to think about revenue sources other than yet another grant. The good news is that putting these strategies in place isn't just important for securing charitable gifts – it is good for the health of the whole organization.

WEAKER: FRI believes this program can be sustained through a combination of grant funding and individual giving.

STRONGER: While the egret nesting project will continue to require charitable support, the park's new Café, in partnership with Taste Sensation Enterprise, is expected to generate more than 10% of the total operating budget by 2008. This revenue, combined with current efforts to grow our annual giving and benefit walk, can sustain project operations after initial capital investments are secured.

12. Evaluation procedure is inadequate.

Just like demonstrating financial sustainability, establishing good evaluation techniques benefits the management of the entire organization. Evaluation can be expensive, and while every program needs to collect and analyze data, you may decide some approaches aren't a good fit for your program. One foundation executive noted that they're usually not looking for a specific technique – they just want evidence that the program is effective.

WEAKER: An annual survey of patients' attitudes towards the HEART curriculum shows that most demonstrate more willingness to exercise and eat right after participation in the six-month program.

STRONGER: In addition to pre- and post-tests about attitudes and information about healthy lifestyle choices, all HEART participants have their doctors complete a Key Indicators from when they enroll. HEART has demonstrated a 25% drop in four Key Indicators for heart disease in the first year, and a two-year follow-up study indicates that we have reduced the number of heart attacks by at least 10%.

***The original list of Twelve Reasons is based on a widely circulated list that probably originally with Indiana University's Center on Philanthropy; however, the explanations and examples were written by the Bayer Center for Nonprofit Management at Robert Morris University.**

Nonprofits and Data: A How-To Series

1

Using Data to Support
Grant Applications and
Other Funding Opportunities

Community Research Institute®

Supporting Community Improvement Through Research and Data Sharing



DOROTHY A. JOHNSON CENTER FOR PHILANTHROPY AND NONPROFIT LEADERSHIP

ABOUT THE COMMUNITY RESEARCH INSTITUTE

The Community Research Institute (CRI) at Grand Valley State University is a partnership between the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership and the Grand Rapids Community Foundation. CRI's mission is to assist nonprofit organizations with acquisition of information and technical skills that will help them to understand the evolving needs of the community, plan programs, solve problems, and measure outcomes.

Research for this guide was provided by Nicole Notario-Risk and Korrie Ottenwess.

For additional information visit our website at www.cridata.org or contact us directly by calling (616)331-7585.

1

Using Data to Support Grant Applications and Other Funding Opportunities

INTRODUCTION

This How-To Series is designed to demonstrate six ways in which data can be used to enhance the work of nonprofit organizations and community groups. These include using data to:

- 1 Support Grant Applications and Other Funding Opportunities**
- 2 Monitor Trends & Identify Emerging Problems
- 3 Disseminate Information to Engage Community and Policymakers
- 4 Evaluate Progress in Meeting Goals
- 5 Establish Priorities and Plan Programs
- 6 Characterize Disparities Across Sub Populations/Communities

The information contained within each guide has been developed by combining our community knowledge with that of a variety of grant writing and data experts. More specifically, within each series installment, you will find an introduction to the topic, guidelines for using data to achieve the specified outcome, good practices and pitfalls with corresponding examples, and resources to find data.

WHY IS DATA IMPORTANT FOR GRANT APPLICATIONS?

Every good grant proposal contains a needs statement. A needs statement describes the critical conditions that are affecting certain people or things in a specific place at a specific time.² The purpose is to let funders know what need in the community your organization is planning to address. “It is the heart of your entire case for support.”²

Presenting a compelling needs statement is a critical part of the grant proposal. You connect to a potential funder when they are convinced you both want to solve the same problem.³ If the funder does not understand or agree that there is a need for your project then they will lose interest in the rest of your proposal.² It is often a convincing needs statement that motivates a funder to help.

Data in the form of raw numbers, percentages, and ratios give strength to a needs statement. Specifically, data can be used to answer critical needs statement questions such as:

- Who is in need?
- Where are they?
- When is the need evident?
- What is the need?
- Why does this need occur?
- What are the consequences of meeting the need?
- How is the need linked to your organization?

GUIDELINES FOR USING DATA TO SUPPORT GRANT APPLICATIONS

Part I - Gathering Data

There are numerous ways to gather data to support a needs statement. Below are three basic approaches to get you started. By having a variety of methods of acquiring supportive data for a needs statement, you will increase your ability to tailor your proposal.¹

Public Databases	Data can be gathered from public sources such as the U.S. Census Bureau or from city, county, state or federal government offices. You will find that many government agencies or departments have large amounts of data available for public use, including health, housing, or demographic data. Data from these sources is useful for illustrating problem areas, showing change over time, and increasing the understanding of a complex problem. To get started, browse government agency websites or place an exploratory phone call to the department that is most closely related to the field your program addresses. Examples include: Michigan Department of Community Health, the Center for Disease Control, Michigan Department of Education, and the Department of Environmental Quality.
Studies	Another approach to finding data is to explore published studies on your subject. You can look for information in academic journals which can be accessed through most libraries. Alternately, consult a local expert at a university. Literature reviews are commonly used to document the gap between what is and what ought to be.
Surveys	If you cannot find the data that you need to support your case in existing databases or in published studies, you may want to consider conducting a survey. A survey can be as simple as a short paper and pencil feedback form or as complex as an in-depth one-on-one interview. Surveys can be effective even if you are using a small sample group or volunteers to administer the survey. To begin, CRI recommends that you check out a book on developing and administering surveys.

Part 2 – Incorporating Data into Grant Proposals

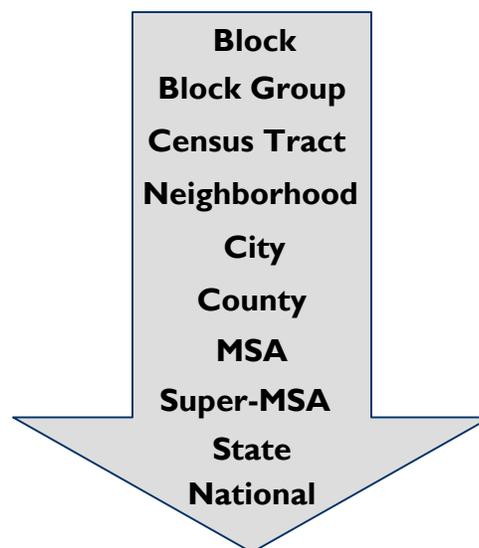
When you begin to use data to answer the ‘who, what, when, where and why’ questions found in a needs statement, there are a few guidelines that should be followed. Below are some tips gathered from reputable sources in the grant writing industry.

Avoid using assumptions or undocumented assertions. Documented, factual statistics will bring fewer questions to your proposal. “There are few things more embarrassing than to have the funder tell you that your information is out of date or incorrect.”⁴

Use clear statistics that support your argument. It is important to remain logical and professional in your needs statement. Overstating the problem or using overly emotional appeals is not suggested.⁴

Make sure data collection is well documented. It adds credibility to your statement when you include a reputable source of information. In addition, if the reader questions your claim, they can go directly to the source to confirm.

Emphasize the geographic area you are designated to serve. Information that is too generic or broad will not help to clarify the need to the reader.⁴ If you have a survey or local report that backs up your case, it could be helpful to include it. This shows local investment and interest in the problem, especially if the study was done by another organization in the community.³ In addition, a broad range of data about a community is commonly available for large areas such as cities and counties. Demographic data is available for smaller areas such as neighborhoods and blocks.



Give a clear sense of the urgency of your request. It can be helpful to show the reader why the funding is important now or what the consequences are if the need is not met.²

In any problem statement, include more than one data point. Data is most likely to have an impact if it is comparative. It is important that the reader is able to relate it to something. You might consider comparing data over

different time periods (ex: 1990 to 2000), comparing it to the state or national average, or comparing it to communities that are similar in size or population.

Include relevant history surrounding the problem. If there is a significant chain of events that has created the problem, then a description of these events will provide background that significantly contributes to the proposal reviewer's knowledge.³

Add a human touch to your needs statement. Adding stories or case studies to data can create an effective mix. This type of data can be acquired by holding public meetings to get testimony on the problem, using quotes from people who know about the problem or are experts in the field, or using examples of clients in a need population. Human stories can provide a realistic picture of what the clients are up against and their need for services.

Don't forget to give the reader hope. The picture you paint should not be so grim that the situation appears hopeless. That could cause the reader to wonder whether an investment in a solution would be worthwhile. For example, when writing a proposal to fund mammograms for low-income women, provide mortality statistics relating to cancer AND statistics that prove how effective early detection can be in surviving breast cancer.⁴

PITFALLS AND GOOD PRACTICES

Using data accurately to support a grant proposal can be tricky. Included below are several pitfalls to avoid as well as related good practices to keep in mind when writing your needs statement. These tips were developed from concepts provided by the Greater New Orleans Community Data Center. After each set of pitfalls and practices, an example is provided to illustrate its potential use.

PROVIDE DATA FOR THE MOST SPECIFIC LOCATION POSSIBLE

Possible Pitfall	Good Practice
Data that represents geographic areas larger than the area you are targeting.	Data that represents the specific neighborhood(s) or communities where you are working.

For example...

“In Michigan Public Schools, graduation rates increased 3.4% from 1998 to 2002.”

We can make this statement stronger by including data from the specific school districts we intend to work with:

“Graduation rates increased 2.4% in Kentmeyer Public School District and 21.5% in Grand Banks Public Schools between 1998 and 2002.”

FOR ADDITIONAL PUBLIC SCHOOL DATA...
VISIT WWW.CRIDATA.ORG OR
WWW.SES.STANDARDANDPOORS.COM

GATHER THE MOST RECENT DATA AVAILABLE

Possible Pitfall

Data that is outdated and old.

Good Practice

The most recent available data from the chosen data source.

Putting it to use...

It is important to search out the most current data on your proposal topic. For instance, Census 2000 data is much more appropriate than 1990 Census data. Many data sources update their available information every year or two.

ADD PERSPECTIVE BY PROVIDING RAW NUMERS AND PERCENTAGES

Possible Pitfall

Raw numbers that describe the problem in your area.

Good Practice

Raw numbers AND percentages that show the proportion of the total population in your area that is affected by the problem.

For example...

“In 2000, 14,628 children lived in female headed households in Grand Rapids.”

By converting the raw number into a percentage, it provides funders some perspective on the reality of the issue or problem your organization may be addressing.

“In 2000, 14,628 children lived in female headed households in Grand Rapids. This number represents 31% of all children under the age of 18.”

FOR ADDITIONAL DATA ON
WEST MICHIGAN'S CHILDREN AND FAMILIES VISIT...
WWW.CRIDATA.ORG OR WWW.MILHS.ORG

CAREFULLY SELECT THE DATA THAT BEST TELLS YOUR STORY

Possible Pitfall

All the data you've ever found that relates somewhat to the problem.

Good Practice

Data carefully selected and narrowed down from the entire list of all the data you found and presented in a targeted, compelling, concise problem statement.

Putting it to use...

When an overwhelming amount of data is included in a proposal or needs statement, it is known as a "data dump⁵." While it is important to search widely for relevant data, it is also important to tailor the data you include in order to create a crystal clear picture for funders.

INCLUDE DATA THAT IS RELEVANT TO YOUR ISSUE

Possible Pitfall

Data that is not immediately relevant to the problem

Good Practice

Data that scientific research has demonstrated is related to the problem you are addressing

Putting it to use...

If you are writing a proposal to provide pre school educational development services, it might not be relevant to discuss high school drop out rates in your needs statement.

If you are writing a proposal to provide prenatal care, you might want to include data on pregnancy related deaths.

SEARCH OUT REPUTABLE SOURCES

Possible Pitfall

Data from newspapers, magazines, and TV news programs – sources that are not in the business of distributing reliable data.

Good Practice

Data from reputable sources such as government agencies, nonprofit associations, and academic or peer-reviewed journals.

Putting it to use...

Although it may be tempting to use a snippet from a newspaper or television program at times when it seems to fit perfectly with your proposal, it is important to remember that newspapers are in the business of selling newspapers and television programs are in need of ratings. They may at times be accurate, but funders may not view those sources as reliable.

For example...

“According to the Peter Jennings on World News Tonight, smoking is the number one cause of death in the United States “

Instead of citing Peter Jennings as a reference, add credibility to your data by using a reliable and recognized source such as the Michigan Department of Community Health (MDCH).

“Data from the MDCH showed tobacco use was the leading cause of death in 2000, killing 435,000 people, or 18.1 percent of everyone who died.”

FOR ADDITIONAL HEALTH DATA VISIT
WWW.CRIDATA.ORG OR WWW.MICHIGAN.GOV/MDCH

TRY TO DESCRIBE THE PROBLEM, NOT YOUR SERVICES

Possible Pitfall

Exclusively including data about the number of people you serve, the number of people who are on your waiting list, and/or the number of activities you conduct each year.

Good Practice

Data from external sources that point to the size of the problem in the community where you are proposing to work.

Putting it to use...

Waiting lists are often presented as evidence of "need" for a given service in a given place.

However, waiting lists do not capture:

- Whether or not there is another provider with excess capacity within the same area
- The full extent of the problem in your community

Funders want to know that you have explored referring these clients to another agency and have established that there is no alternative source of services for a given client, not just that your agency is unable to provide the services.

In cases such as this, external data can provide an estimate of how many people in total (not just those on the waiting list) are affected by the problem.

There are some cases in which it is good to include the number and demographics of clients your serve. For instance, if you are writing a proposal to provide additional services to your clients, funders might want to see waiting list data and client satisfaction data to assess how successful your new services will be.

For example...

"In 2002, Helping Hands provided childcare services to 30 families in the Main Street Neighborhood. 5 remained on the waiting list."

We can enhance this statement by adding neighborhood level data: "The Main Street Neighborhood lies in census tracts 15 and 16, where 67% of children under the age of 12 live in households where both parents are in the workforce. Helping Hands is currently the only licensed childcare provider serving those census tracts."

USE COMPARISON DATA TO PROVIDE PERCEPTION

Possible Pitfall

Only numbers that represent the geographic area where you work without any comparison data

Good Practice

Comparison data from the national level and other geographic levels of interest to the funder.

Putting it to use...

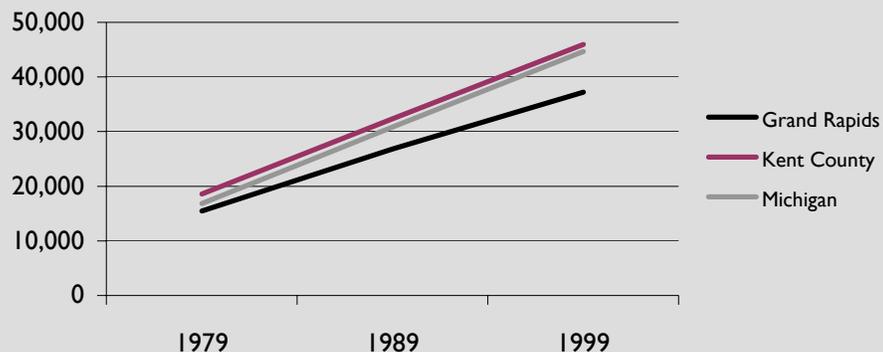
If you are writing a program to serve Kent County, one approach for including comparison data is to include data from neighboring counties such as Muskegon and Ottawa. Another approach is to include data for other Michigan counties that contain large cities such as Kalamazoo County or Washtenaw County. A third approach is to include data showing state and national averages.

For example...

In 1999, the median income in the city of Grand Rapids was \$37,224.

We can enhance this statement by adding a graph to show how Grand Rapids compares to surrounding areas and the state.

**Median Household Income
Michigan, Kent County & Grand Rapids 1979-1999**



**FOR MORE DEMOGRAPHIC DATA
VISIT WWW.CRIDATA.ORG OR WWW.CENSUS.GOV**

WHERE TO BEGIN FINDING DATA

The Community Research Institute (CRI) is working to develop a data sharehouse for the Greater Grand Rapids community. The concept or purpose of a data sharehouse is to develop a single integrated system that can support one-stop data shopping.

To begin exploring community data, visit our website at www.cridata.org. There you will find county, city, and neighborhood level data. Examples include:

- Demographic information on topics such as, population counts, poverty rates, race, housing and education from the 1990 and 2000 U.S. Census
- Crime, housing, and voting data from the City of Grand Rapids
- Data on regional trends including topics such as: Healthy Youth, Healthy Seniors, Education, Civic Engagement, and Community & Economic Development, Arts & Culture, Poverty, and Philanthropy.
- Various reports on topics that include: the status of women in the workplace, barriers to success for entry level healthcare workers, tobacco and smoking cessation programs, violence in Kent County, employee training needs and practices, communities of support for the aging population, a the working poor.

It should be noted that CRI has more data than we can fit on our website. If after reviewing our website, you haven't found what you're looking for contact Gustavo Rotondaro, GIS/Information Specialist for CRI, for additional data.

For more information on using data to support grant proposals please contact, Korrie Ottenwess, Research Manager for the Community Research Institute at:

Phone: (616) 331-7585
**Email: Korrie Ottenwess, ottenwko@gvsu.edu
Gustavo Rotondaro, rotondag@gvsu.edu**
Web: www.cridata.org

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People for Everything Good and Against Everything Bad

1630 Revello Drive
Pittsburgh, PA 15200

May 13, 2006

Ms. Lidia Jones, President
The Affluence Foundation
300 Howard Street, Suite 212
Pittsburgh, PA 15219

Dear Ms. Jones:

I am writing on behalf of People for Everything Good and Against Everything Bad, a community-based nonprofit in the Revello neighborhood of Pittsburgh, where I serve as a member of the Board of Directors. We are a project of the Revello Community Center.

Our group is currently working to establish an ambitious calendar of programming for young people between the ages of 12 and 19 in our community. With cutbacks in school funding for extracurricular activities and the recent closing of the YMCA, virtually no activities are available for young people. Our police are now reporting more complaints about kids hanging out on the street corners and causing petty annoyances and working parents are frustrated that their options are so limited. The Sisters of Mercy operate an after school program for elementary school kids, but lack the resources to expand their services.

We have formed a coalition of seventeen community leaders. Through a series of interviews with parents, teachers, ministers, the police and others, we have planned to create a drop-in center in an empty building that one of the churches owns. We are now conducting focus groups with kids about how the Center might best meet their needs. We are also recruiting adult mentors, especially men, to serve as role models.

As you may know, the Revello neighborhood is a particularly underresourced community. More than $\frac{3}{4}$ of the school-age children qualify for subsidized lunches, and almost that many live in one-parent households. The high school drop out rate is among the highest in the city of Pittsburgh.

The need is great, and we are marshalling our community resources to respond. However, we anticipate needing to raise \$60,000 in the first year to purchase some equipment and pay staff for the Center. Three local churches have committed \$10,000 to help us get started. We'd like to explore the possibility of seeking grant support from the Affluence Foundation.

I will call you the first week of June to discuss this possibility. Thank you for your time.

Sincerely,

Granty McGranterson, Director

Proposal Checklist

Compiled from The Grantsmanship Center's Proposal Checklist, the Grantmakers of Western PA Common Grant Application and selected foundation guidelines.

1. Introduction/Background:

Your Proposal Should:

- Clearly establish who is applying for funds
- Express applicant agency's purposes and goals
- Describe applicant's programs and activities
- Describe clients and constituents
- Provide evidence of applicant's accomplishments
- Provide evidence of reliability, credibility

2. Statement of Need

Your Proposal Should:

- Make **no** unsupported assumptions.
- Show support through statistics and statements
- Be of reasonable dimensions – address a solvable problem
- Explain why this is important to *your* organization
- Explain how the project will impact the broader community
- Provide information regarding community/professional support for this project.
- Make a compelling case
- Be interesting, brief and free of jargon

3. Program Objectives

Your Proposal Should:

- Be clear, concise, and specific about each objective
- Contain objectives that address problems referred to in the statement of need
- Describe the population that will benefit from the project
- State the time by which objectives will be accomplished
- Explain how objectives are measured

4. Action Plan Methodology

Your Proposal Should:

- Clearly describe the sequence of activities
- State reasons for selection of activities
- Describe staffing – both professional and volunteer
- Present a reasonable scope of activities that can be completed within the time and resources of the program.

5. Evaluation Procedures

Your Proposal Should:

- Present a plan for evaluating accomplishments
- Present a plan for modifying activities if necessary
- State who will be doing the evaluation
- State the criteria for success
- Explain how data will be gathered
- Describe the process of analyzing data
- Describe any evaluation reports to be produced

6. Budget

Your Proposal Should:

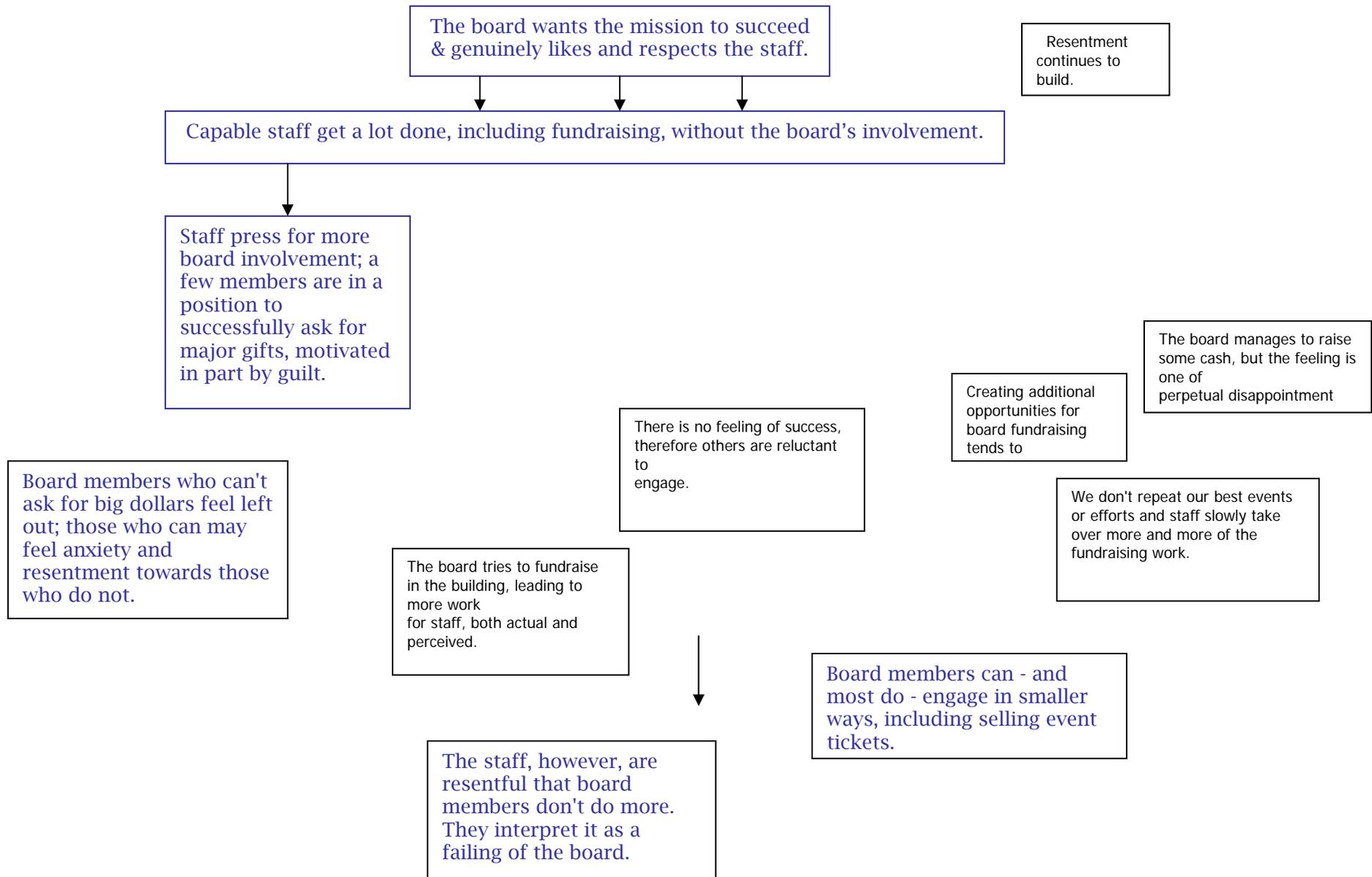
- Tell the same story as the narrative
- Detail in all aspects (health benefits,taxes, pension, etc.)
- Contain no unexplained amounts for contingency, misc.
- Include all items asked of the funding source
- Include all items paid for by other sources
- Include consultant fees

7. Future Funding

Your Proposal Should:

- Describe other funding sources being approached for projects.
- Provide a specific plan too obtain future funding.
- Explain how future program costs will be managed
- Show minimal reliance on future grant support

How Fundraising Fails: A Breakdown in Board & Staff Relations



Grantmaking Exercise

You are senior program officer for the Milton and Lotta J. Affluence Foundation. The foundation grants approximately \$500,000 each year, normally in the \$5000 to \$10,000 range. However in special cases, the board has given as much as \$250,000 over two or three years. The trustees rely heavily on your judgment to recommend appropriate use of grant funds. Because Mr. and Mrs. Affluence were outdoor enthusiasts, the foundation concentrates its giving in conservation and environmental issues.

It is April 18, 2006 and your first of two annual board meetings is slated for June 15. While you're confident about most of the proposals you'll recommend, about \$50,000 remains undesignated. Four organizations – none of which the Affluence Foundation has funded previously - have brought forward projects that fit the trustees' interests, but you're undecided about which, if any, to recommend.

Directions:

1. Review each of the four summaries.
2. Determine if information is missing or unclear. Explain what you'll ask of the applicants. Are there certain answers that you would prefer? Are there certain answers that would raise additional concerns?
3. Decide what you will tell the grant seekers that you are declining to fund. Should they re-apply in the fall?

Proposal One

Gotham Greener was established in 1992 in Gotham City, Pennsylvania, about 40 miles west of Pittsburgh. Though the area outside of Gotham City is rural, the agency's mission is to serve those families and individuals living in the declining town center. Their dynamic founder, Georgia Goodheart, remains the executive director of the agency.

Gotham Greener runs the following programs:

- Shared garden space for neighborhood residents, including many seniors living in Gotham Tower Retirement Community;
- A farmer's market every Saturday morning in season;
- Classes on container gardening and growing herbs and vegetables in small gardens.

Their Board of Directors consists of four individuals, all community residents and active volunteers with Gotham Greener and other local groups.

The proposal they've submitted requests \$50,000 to purchase additional land to create a second urban garden. The first urban garden, created in 1993, is full and self-sustaining, and has been for more than five years.

The budget specifies that \$40,000 is required to buy the land from Gotham City, with an additional \$5,000 for supplies and \$5,000 for Ms. Goodheart's time to oversee the project. There are no quotes or other supporting documents attached to the budget and you are not knowledgeable about real estate values in the area. Information supplied by Ms. Goodheart indicates that the land is currently a vacant lot.

From a conversation with Ms. Goodheart, you know that membership dues, combined with a variety of fundraising events, pay her modest salary. She has indicated that the garden will be self-sufficient once the land is purchased and improved.

Proposal Two

Lionel Lodge is a Western Pennsylvania landmark. George Washington really *did* sleep here; during the Civil War, it was a stop on the underground railroad; Bernard Mersey Lionel spent his childhood here before publishing his renowned *Guide to Pennsylvania's Birds* in the 1880s; and the poet Isabel Horner penned many of her most famous works on the Lodge's grounds. By the 1970s, Lionel Lodge had been vacant for nearly fifty years and was in sorry shape. A group of local civic leaders purchased the Lodge and re-opened it as an environmental learning center, attracting school children and scout troops.

Their Board of Directors is well known, and includes business owners and elected officials that comprise a Who's Who list in the rural Pennsylvania area where Lionel Lodge is located.

They've requested a grant of \$40,000 towards the installation of a commercial kitchen. The request is part of a capital campaign to pay for a variety of enhancements to the site. They've already raised over 75% of their \$650,000 goal.

The proposal explains that the kitchen will allow Lionel Lodge to expand its business to include attracting corporate retreats, weddings and other special events. At present, they have only a small refrigerator and offer no on-site catering, as most of the school kids and scout troops bring in picnic lunches. No revenue projections are included, but the proposal's narrative states that they believe that Lionel Lodge will earn up to 25% of its annual operating income from higher end rentals by 2008.

Proposal Three

Lovely Lake has been a favorite spot for locals interested in fishing and boating for as long as the residents of rural Lovelyton, Pennsylvania can remember. Twenty years ago, the native fish population entered a period of sharp decline and has yet to recover. A study conducted by the local university's biology department placed the blame squarely on elevated levels of foulaphene, a chemical released by a nearby manufacturing plant. While the Environmental Protection Agency has passed additional regulations on the use of foulaphene in the past decade, the university's report warns that such high levels of the chemical are present in the lake that several species may be permanently wiped out if actions are not taken quickly.

Friends of Lovely Lake formed two years ago in response to these concerns, as well as worry that declining recreational use of the area had led to many dumping garbage in the surrounding fields. The all-volunteer organization has a board of eight and a consistent clean-up schedule, involving local school kids and community residents in trash pick-ups eight times a year.

The trash pick-ups have helped, but estimates on cleaning the lake itself are in excess of \$1.5 million, with annual maintenance costs of between \$15,000 and \$25,000. Some state funding may be available – the group has submitted a proposal for \$500,000 – but even they receive state funds, and even if the Affluence Foundation made a multi-year capital grant, it would still leave Friends of Lovely Lake well short of their goal.

The proposal includes detailed explanations of how the process of cleaning the water will work, and estimates of improvements in fish populations and other concrete measures. The university's entire 218-page report and supporting data was included with the proposal, as well as supporting letters from local teachers that indicate their science classes would participate in ongoing monitoring of water quality.

Friends of Lovely Lake has not requested a specific dollar amount, instead indicating their need and asking the Affluence Foundation to consider a generous gift.

Proposal Four

The Meander River Alliance formed in 1999 to protect and preserve the Meander River and surrounding areas. It is widely acknowledged that the group has been successful in working with local legislators, landowners and businesses to improve the health of the River, with several key indicators suggesting their efforts are having a wide-reaching impact. Several endangered species, including the Pennsylvania purple salamander, are thriving in the area, despite continuing population loss elsewhere.

The proposal from the Alliance's part-time executive director – a retired high school science teacher – is for a program to eradicate knotweed, an invasive, non-native species that is spreading rapidly and having an adverse impact on local fish and wildlife habitats. The proposal explains that other parts of the country have successfully reduced the presence of knotweed and similar invasive species by as much as 80% over as five years with an aggressive program of mapping, monitoring and treating.

While the case for the removal of knotweed is clear, the proposal is somewhat puzzling. The budget indicates that, if funded, they'll use the \$60,000 over two years to hire a full-time program manager. The objectives include the following:

- Map 18 miles of riverbank each six months;
- Create a treatment plan for each mapped section within six weeks of finishing mapping;
- Choose and execute an aggressive treatment schedule that will reduce presence of knotweed by 15% within the first year and by 40% within the second year;
- Implement a membership program that will generate at least \$5000 in revenue in the first year and \$6500 in the second year;
- Identify a volunteer to help upgrade the accounting system;
- Complete the soil erosion study undertaken in 2002.

The Essential Element - A Board that Works

After the preceding sessions, we found that we were frequently being pulled into long discussions about the role of the board in fundraising. In many cases, these are all-volunteer groups...so there is no one but the board to fundraise, clean the streambed, organize the science fair and lobby the county commissioners for support.

How can we build the most effective board?

A clear and specific plan is one of the tools that is vital to effective use of the board members' time, but in addition to continuing to work with the development planning tools introduced earlier in this volume, we did spend a lot of time on boardsmanship at several of the sessions. I attach here the various handouts we used to help CWAs think about how best to compose, motivate and make the best use of their board.

Many people join watershed associations' boards thinking that they will be building a better environment for themselves, their friends and their children only to find that they are really just unpaid labor. So we tapped back into the importance of the board having a shared mission, vision and a clear sense of their importance to the community's vision.

For some of the participants, their CWA board was their first board. We reviewed the roles and responsibilities of board members – looked at fiduciary and legal responsibilities, the importance of being a passionate ambassador and attending to board building as a key leadership role. We took a look at the expectations of the Commonwealth for the organizations' by-laws and discussed financial responsibility. If a board truly understands its financial responsibilities, the embrace of fundraising becomes more automatic!

Get the right people on the board...and then, let them go!

The most important committee any board has is the nominating committee. So we explored doing an analysis of your current board and seeking expertise and outreach capability that isn't already present. Most of these CWA boards are too small and the people on them are tired. They often do not enforce the term limits in their by-laws and they have been talking to the same small group of people since they began. So the composition issue is mostly about who else? And how can we make this board an attractive use for their discretionary time? Many CWA board members are not naturally inclined to enjoy fundraising. They were encouraged to try to recruit the woman who does a great job with the school fair or the man who has recruited many people into Kiwanis or their towns' most successful Avon lady!

Changes for nonprofit boards

The climate for nonprofit boards is tough. In the wake of the Sarbanes Oxley Act, which focused Congress' attention on corporate governance issues, the Senate Finance Committee began an in-depth investigation of nonprofits – and governance practices came in for intense scrutiny. They were not thrilled with what they saw, so there has been a general tightening of the reins. Most of this is most clearly expressed in the new IRS 990 form, which will require a lot more information from nonprofits. One item required by the new 990 is signed statements of conflict of interest from all board members. CWAs will have to be careful not to have business agreements with their board members or they could run afoul of the IRS who understands that nonprofit board members are financially disinterested in the nonprofit they serve.

A board that works!

Other practices that are encouraged are:

- **Program and plan evaluation.** Participants were introduced to both a dashboard evaluation tool for use with a strategic plan to assure that the most urgent items were discussed at a board meeting. The dashboard tool boils the plan down to its key indicators (ex. Specific fundraising goals, number of participants at a given activity, etc.) By looking at these indicators, a board can quickly see what is going well and may not need much discussion and where things are lagging behind and need attention immediately so as not to fail.
- **Board evaluation.** Using a template like "Are We Doing A Good Job?", CWA boards should annually take a look at themselves and assess if they are doing all they can to assure the success of the organization;
- **Conducting effective meetings.** Some tips for using board members' time well were discussed.
- **Looking at your organization from a life cycle standpoint.** Many CWA boards are still in the start-up phase. This exercise was intended to alert them to the future and what is needed from the board and program for the CWA to take its best next steps.
- **Organize their committees carefully and efficiently.** Many CWAs work as committees of the whole because there are too few hands to do the work. Involving other community people on the committees or time-limited task forces could provide fresh energy and enthusiasm for the sometimes daunting tasks required.
- **Confront the elephant in the room.** The roles and responsibilities of boards were conceived in times vastly different to today. Many of the pieties mouthed by consultants (including those from BCNM!) are terribly hard to implement...how nice it is to be able to wave and say, "Good luck with that!" while exiting the room. But the fact is boards are still legally required, however difficult it is to make them work effectively. So, this article outlines some home truths:
 - Board members must be there for the mission;
 - They must be able to deal with disagreement in a principled way;
 - There must be strong leadership, usually from the Chair who respects his team;
 - There must be a culture of accountability and forgiveness;
 - No one went to school to be a good board member – it is incumbent on the board and its funders to see that board education is available and of high quality

**My concern for the world is not
that there are so many poorly equipped people in it
but that the well-equipped people do so poorly.
Something needs to be added to the current matrix of moral fiber.
I see no alternative but to lay the burden
on those who are already carrying more than their share.
Those who think of themselves as good must become better;
they must become strong...
~On Becoming a Servant Leader, Robert Greenleaf**

Tapping Your Board's Intellectual Capital

Dick Chait of the Harvard Business School's
6 Questions for Boards

1. What is the legacy this board will leave for future boards to treasure?
2. What would be the greatest consequence to the organization if the board did not meet or operate for three years?
3. How would the board respond if a donor were prepared to contribute \$50 million based on one idea that would make the organization distinctive and distinguished in its domain?
4. What is the most persuasive and concrete testimony this board will offer in 2013 to indicate that the organization's vision in 2008 was effectively enacted?
5. Imagine an article or a news report that would most change this organization for the better. What would be the headline and in what publication would it appear? What about an article that would change the organization for the worse?
6. What would the organization do differently if it were a for-profit? What would it do better? What would it do worse?

Board & Staff Responsibility Clarification Exercise

or

Whose job is it?

Please mark the appropriate box, assigning each item to the individual (group) having primary responsibility. You may check more than one box if you feel the responsibility is shared, but please attempt to assign primary responsibility.

	Board	E.D./Staff
1. Determine the organization's goals	<input type="checkbox"/>	<input type="checkbox"/>
2. Fundraising for the organization	<input type="checkbox"/>	<input type="checkbox"/>
3. Hire the Executive Director	<input type="checkbox"/>	<input type="checkbox"/>
4. Evaluate the Board's performance annually	<input type="checkbox"/>	<input type="checkbox"/>
5. Keep board members informed of operations	<input type="checkbox"/>	<input type="checkbox"/>
6. Policy formulation	<input type="checkbox"/>	<input type="checkbox"/>
7. Administer all phases of operations	<input type="checkbox"/>	<input type="checkbox"/>
8. Hire & supervise professional staff	<input type="checkbox"/>	<input type="checkbox"/>
9. Plan methods of program delivery	<input type="checkbox"/>	<input type="checkbox"/>
10. Implement programs	<input type="checkbox"/>	<input type="checkbox"/>
11. Responsible for meeting all legal requirement	<input type="checkbox"/>	<input type="checkbox"/>
12. Recruit new board members	<input type="checkbox"/>	<input type="checkbox"/>
13. Orient, train, & develop board members	<input type="checkbox"/>	<input type="checkbox"/>
14. Draft the annual operating budget	<input type="checkbox"/>	<input type="checkbox"/>
15. Establish salary administration plan	<input type="checkbox"/>	<input type="checkbox"/>
16. Implement salary administration plan	<input type="checkbox"/>	<input type="checkbox"/>
17. Implement policy	<input type="checkbox"/>	<input type="checkbox"/>
18. Prepare information on strategic choices for the board	<input type="checkbox"/>	<input type="checkbox"/>
19. Recommend board members for various committees	<input type="checkbox"/>	<input type="checkbox"/>
20. Provide community relations contacts with community	<input type="checkbox"/>	<input type="checkbox"/>
21. Evaluate Executive Director annually	<input type="checkbox"/>	<input type="checkbox"/>
22. Evaluate organization's results	<input type="checkbox"/>	<input type="checkbox"/>
23. Assess organization's problems	<input type="checkbox"/>	<input type="checkbox"/>
24. Approve annual budget	<input type="checkbox"/>	<input type="checkbox"/>

Board Roles and Responsibilities

The primary role of the Board of directors
is to govern the nonprofit organization

In governance, there are two essential functions:

1. To protect the public interest

Responsibilities include: Oversight of the organization's operation; evaluation of the organization's progress; make sure that the public (clients, funders, other stakeholders) are well-informed

2. To ensure the organization fulfills its mission & achieves its purpose

Responsibilities include: CEO/Hire, evaluate, fire, if necessary; delegate operations to CEO; to ensure institutional memory, participate in strategic and operational planning; approve contracts and other major organizational commitments; practice good internal leadership development; be an ambassador for the organization;

**Participate in Fundraising and help to improve/maintain
good community relations**

Specifically,

1. LEGAL

- Minutes are not optional
- Board members have the legal responsibility for the corporation in the eyes of the law
- Be alert for issues of **mismanagement, non-management** and **self-dealing** or conflicts of interest
- Understand the principle of the **reasonably prudent person**
- At all times, practice the **principle of Good Faith**
- Understand the necessity of dealing with **Deadwood** members
- Directors & Officers Insurance is important

2. FIDUCIARY

- Always see that **payroll taxes are paid!**
- Read the organization's budget - ask questions, ask questions
- **Regularly review the financial statements** - budgeted goals to amounts raised against goal to actual amounts expended
- Work with the auditor to ensure **adequate internal controls**
- **Recognize how much the budget controls the organization**, no matter the priorities that have been established by the strategic plan or by the board
- Provide some basic cushion - it never all comes in and on time
- **Build a cash reserve** equal to six months of operating funds
- Practice common sense - **Don't park your brain at the door !**

3. ISSUES OF ONE VOICE

- **Know when to set a policy**
- The Executive Director only has **one boss** - the full Board, not the individual members!
- Practice **confidentiality** - arguments and problems stay in the boardroom
- Be sure that **the private meeting in the parking lot** is not the best thinking practiced in your organization - bring your best ideas to the boardroom and to the attention of the full board
- **Advocate unabashedly** - genuine enthusiasm is hard to resist
- Unleash **the power of the passionate ambassador**

4. LEADERSHIP DEVELOPMENT – THE MOST IMPORTANT ACTIVITY OF THE BOARD

- Agree on **board job descriptions** - use them in recruiting
- Set standards - create a culture of respect & responsibility
- Enthusiastically **embrace the challenge of diversity** - recognize its importance and power
- Leadership development is not a once-a-year activity - it's **year-round**, if it's effective
- Be sure there is a **clear career ladder** in your organization
- Make sure that **hard work is rewarded** - and that fairness informs the access to power
- Practice **intentional and active mentoring** - be on the lookout for the people to replace you - groom them & grow them - show them the way
- Always have an **updated strategic plan** - leave a clear record for future decisions - provide **an institutional memory**

My concern for the world is not that there are so many poorly equipped people in it but that the well-equipped people do so poorly. Something needs to be added to the current matrix of moral fiber. I see no alternative but to lay the burden on those who are already carrying more than their share. Those who think of themselves as good must become better; they must become strong...

On Becoming a Servant Leader, Greenleaf

Nonprofit Bylaws:

A Quick Overview of Pennsylvania Law

Definitions

Technical/Legal- The code or codes of rules adopted for the regulation or management of the business and affairs of the corporation irrespective of the name or names by which such rules are designated.

Plain English- Rules by which to run your nonprofit, as to avoid certain conflicts within the nonprofit and with the law.

Legal Requirements

Do you:

- Have a President, Treasurer and Secretary (or officers who perform comparable duties) who is of legal age. All three positions may be held by the same person, however all persons must be of legal age.
- Not have meetings for the transaction of business unless a quorum* is present. Quorums should be set relatively low in the beginning or you may be faced with the inability to make decisions.
- Not expel a member of the corporation "without notice, trial and conviction, the form of which shall be prescribed by the bylaws".

* In law, a **quorum** is the minimum number of members of a deliberative body necessary to conduct the business of that group. Ordinarily, this is a majority of the people expected to be there, although many bodies may have a lower or higher quorum(wikipedia.org).

Voting Rights

Boards need to vote to show that an action has been taken. You may choose to have a majority vote, two-thirds vote, or if you are ambitious, vote by consensus. Generally, a majority vote is sufficient.

Selection of Officers

Many choose the democratic process where any one can run for any of the positions. Other organizations choose a Nominating Committee, appointed by the Chairperson. Others choose to combine the two by letting the Nominating Committee choose a set of candidates but others are welcome to run as well.

Executive Committee

By law the executive committee has all the powers of the board except the following:

- The executive committee cannot fill vacancies on the board
- The executive committee cannot adopt, amend or repeal bylaws
- The executive committee cannot have powers inconsistent with the resolution passed by the board establishing it.

The executive committee is good to have in case there is an issue that arises in the interim between board meetings. Generally the Executive committee consists of the officers on the board, but it can consist of one or more directors appointed by the board.

Budgeting and Financial Accountability

- An organization that handles more than \$5,000 must have an audit.
- Budget realistically – it's better to face reality and disappointment during the budgeting process than later.
- Get regular reports and study them carefully – a statement that compares budgeted to actual expenses and income is helpful.
- Be sure that the reports are accurate – changes in personnel or accounting systems can cause errors.
- Insist on understanding the financial picture and the reports – you are ultimately responsible.
- Insist on understanding the financial picture and the reports – you are ultimately responsible.
- Establish a close working relationship with the auditor – this is especially important for the Finance Committee.
- Involve the auditor in establishing, or at least approving, your internal systems, including controls.
- Make the most of the interest and knowledge of the Treasurer and Chairperson of the Finance Committee – they often provide hard-nosed, pragmatic, and, sometimes unwelcome, advice that is important.
- Involve the key volunteer leaders in the development of the budget.
- Recognize how easily the budget can thwart or contradict the Board's decision on priorities.
- Provide for some cushion in the budget – a contingency factor of 5 – 10 percent.
- Provide for some basic reserves – equal to at least one half of one year's operating expenses... ¼ year.
- Don't switch accounting systems until you are really on top of your information – resist the temptation to switch programs before the staff is ready.

Exhibits duplicated from:
GOVERNANCE AS LEADERSHIP: REFRAMING THE WORK OF NONPROFIT BOARDS
 (Authors: Richard Chait, William Ryan, Barbara Taylor, A BoardSource Publication)

EXHIBIT 6.9: THREE TYPES OF GOVERNANCE: DISTINCTIVE CHARACTERISTICS

	TYPE I FIDUCIARY	TYPE II STRATEGIC	TYPE III GENERATIVE
NATURE OF ORGANIZATIONS	Bureaucratic	Open System	Nonrational
NATURE OF LEADERSHIP	Hierarchical	Analytical/visionary	Reflective learners
BOARD'S CENTRAL PURPOSE	Stewardship of tangible assets	Strategic partnership with management	Source of leadership for organization
BOARD'S CORE WORK	Technical: oversee operations, ensure accountability	Analytical: shape strategy, review performance	Creative: discern problems, engage in sense-making
BOARD'S PRINCIPAL ROLE	Sentinel	Strategist	Sense maker
KEY QUESTION	What's wrong?	What's the plan?	What's the question?
PROBLEMS ARE TO BE	Spotted	Solved	Framed
DELIBERATIVE PROCESS	Parliamentary and orderly	Empirical and logical	Robust and sometimes playful
WAY OF DECIDING	Reaching resolution	Reaching consensus	Grappling and grasping
WAY OF KNOWING	It stands to reason	The pieces all fit	It makes sense
COMMUNICATION WITH CONSTITUENTS	Limited, ritualized to legitimate	Bilateral, episodic to advocate	Multilateral, ongoing to learn
PERFORMANCE METRICS	Facts, figure, finances, reports	Strategic indicators, competitive analysis	Signs of learning and discerning

EXHIBIT 7.2 THE FOUR FORMS OF BOARD CAPITAL

FORM OF CAPITAL	RESOURCE OPTIMIZED	TRADITIONAL USE	ENHANCED VALUE
INTELLECTUAL	Organizational learning	Individual trustees do technical work	Board as a whole does generative work
REPUTATIONAL	Organizational legitimacy	Organization trades on trustees' status	Board shapes organizational status
POLITICAL	Organizational power	External heavyweight: Trustees exercise power on the outside	Internal fulcrum: Board balances power on the inside
SOCIAL	Efficacy of the board	Trustees strengthen relationships to gain personal advantage	Trustees strengthen relationships to bolster board's diligence

This is a generic board matrix which needs to be made custom for each organization, but it demonstrates the principle of thinking comprehensively about the need for a board of diverse skills, knowledge and perspectives. All Board members profiles should be tied to the organization's strategic directions. After analyzing existing board member profiles, clarity should emerge about the type of person to be recruited.

Matrix for Effective Board Composition

**Please circle items that describe you and your experience.
Mark with an "I" items where you only have interest**

Name: _____

Experience

Academic
Accounting
Computers/Technology
Consulting
Corporate
Investments
Legal/Government
Management
Marketing
Media
Personnel
Politics
PR/Advertising
Service Recipient
Small Business
Training/Development
Customer

Funding Access/ Skill

Access to corporate wealth
Access to foundation funding
Access to individual wealth
Access to Government funding
Access to local business
Annual giving campaigns
Capital/Endowment
Special events

Demographic Information

African-American
Asian-American
Caucasian
Hispanic
Native American
Other

Age:

20-35
36-50
51-65
66 +

M/F

Thank You!

Matrix adapted from one developed by the Dallas Center for Nonprofit Management

Sample Conflict of Interest Statement for Board Members

No board member or board committee member, or any member of his/her family should accept any gift, entertainment, service, loan, or promise of future benefits from any persons who either personally or whose employees might benefit or appear to benefit from such board of committee member's connection with (name of organization), unless the facts of such benefit, gift, service, or loan are disclosed in good faith and are authorized by the board. Board and committee members are expected to work out for themselves the most gracious method of declining gift, entertainment and benefits that do not meet this standard.

No board or committee member should perform, for personal gain, services to any (name of organization) supplier of goods or services, as employee, consultant, or in any other capacity which promises compensation of any kind, unless the facts of such transaction or contracts are disclosed in good faith and the board or committee authorizes such a transaction. Similar association by a family member of the board or committee member or by any other close relative may be inappropriate.

No board or committee member or any member of his/her family should have any beneficial interest in, or substantial obligation to, any (name of Organization) supplier of goods or services or any other organization that is engaged in doing business with or serving (name of Organization) unless it has been determined by the board, on the basis of full disclosure of facts, that such interest does not give rise to a conflict of interest.

This policy statement is not intended to apply to gifts and/or similar entertainment of nominal value that clearly are in keeping with good business ethics and do not obligate the recipient.

Any matter of question or interpretation that arises relating to this policy should be referred to the president for decision and/or for referral to the board of directors for decision, where appropriate.

I have received and read the foregoing policy statement, Conflict of Interest Statement, and understand fully the facts requiring any possible question of violation.

(date)

(signature)



Formerly the National Center for Nonprofit Boards



The Sarbanes-Oxley Act and Implications for Nonprofit Organizations

BoardSource and Independent Sector wish to thank Dan Moore, Vice President for Public Affairs, GuideStar; Tom Hyatt, Principal, Ober Kaler; and Paul Nelson, President, Evangelical Council for Financial Accountability, for sharing their professional insights and expertise on this document.

Information and guidance in this document is provided with the understanding that BoardSource and Independent Sector are not engaged in rendering professional opinions. If such opinions are required, the services of a certified public accountant or an attorney should be sought.

This paper was revised in January 2006 to reflect changes in laws relating to, and practices of, nonprofit organizations.

The Sarbanes-Oxley Act was signed into law on July 30, 2002. Passed in response to the corporate and accounting scandals of Enron, Tyco, and others of 2001 and 2002, the law's purpose is to rebuild public trust in America's corporate sector. The law requires that publicly traded companies adhere to significant new governance standards that broaden board members' roles in overseeing financial transactions and auditing procedures.

While nearly all of the provisions of the Act apply only to publicly traded corporations, the passage of the bill served as a wake-up call to the entire nonprofit community. Indeed, several state legislatures have already passed or are considering legislation containing elements of the Sarbanes-Oxley Act to be applied to nonprofit organizations. In many instances, nonprofit organizations have adopted policies and altered governance practices in response to the Act.

Nonprofit leaders should look carefully at the provisions of Sarbanes-Oxley, as well as their state laws, and determine whether their organizations ought to voluntarily adopt governance best practices, even if not mandated by law. This report will review those provisions and assess their relevance to nonprofit organizations.

Finally, it is important to note that two provisions of Sarbanes-Oxley apply to all entities, including nonprofit organizations. This report will also review those features of the Act that require immediate nonprofit compliance.

MAIN PROVISIONS OF THE SARBANES-OXLEY ACT

With two notable exceptions, the Sarbanes-Oxley Act affects only American publicly traded companies and regulates what boards must do to ensure auditors' independence from their clients. The Act also creates and defines the role of the Public Company Accounting Oversight Board, an entity empowered to enforce standards for audits of public companies. The Act explains processes for electing competent audit committee members and for ensuring that adequate reporting procedures are in place. In addition, it calls for regulations, and closes most of the loopholes, for all enterprises — for-profit and nonprofit — relating to document destruction and whistle-blower protection.

The following sections cover each of the major provisions of the law and discuss their relevance to nonprofit organizations. In addition, BoardSource and Independent Sector offer recommendations for how nonprofit leaders should implement various provisions of the law.

INDEPENDENT AND COMPETENT AUDIT COMMITTEE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires that each member of a company's audit committee be a member of the board of directors and be independent. "Independence" in the Act is defined as not being part of the management team and not receiving any compensation (either directly or indirectly) from the company as a consultant for other professional services, though board service may be compensated.

In addition, a company must disclose whether it has at least one “financial expert” serving on its audit committee. If it does not have such an expert, it must disclose the rationale behind that decision. Who qualifies as a “financial expert” is still being debated. The Securities and Exchange Commission (SEC) proposes a definition that relies on an individual’s education and experience as a public accountant, auditor, or principal accounting officer. At present, however, the company’s board seems to retain the final right to establish specific qualifications for a financial expert.

The audit committee is directly responsible for hiring, setting compensation, and overseeing the auditor’s activities. It sets rules and processes for complaints concerning accounting and internal control practices.

RELEVANCE TO NONPROFIT BOARDS

While not all nonprofits conduct outside audits, most nonprofit boards have established one or more financial committees (e.g., finance, audit, and/or investment). In those organizations that undertake annual audits, particularly medium to large nonprofit organizations, the board is likely to have a separate audit committee or subcommittee. In California, the Nonprofit Integrity Act of 2004 requires that any charity registered with the attorney general and receiving annual gross revenues of \$2 million or more must form an audit committee. Several other states have adopted similar rules, albeit at varying gross revenue thresholds.

It is good practice for nonprofit organizations to take steps to ensure the independence of the audit committee. While most nonprofit board members serve as volunteers without any compensation and staff members do not participate as voting members, all nonprofit organizations should review their practices to ensure the independence of the audit committee. Also, many states provide additional liability protection for volunteer directors that may be lost if the directors are compensated for their service.

Because of recruitment priorities to create a well-balanced and diverse board, finding people with financial savvy may be challenging for boards. Nonprofit organizations need to ensure that board members of the audit committee have the financial competency to understand financial statements, to evaluate accounting firm bids to undertake auditing, and to make sound financial decisions as part of their fiduciary responsibilities. A nonprofit that has a limited number of financial experts on its board may struggle with filling the treasurer’s position, a finance committee, and an audit committee.

RECOMMENDATIONS

While it is too onerous to demand that all nonprofit organizations undertake a full audit, the board is responsible for assessing the potential benefits and costs of an independent audit. Nonprofits that expend more than \$500,000 of federal funds are required to conduct an annual audit. In addition, participating in the Combined Federal Campaign requires an audit at \$100,000. Any other charitable organization with \$1 million or more in total annual revenues (excluding houses of worship or other organizations that are exempt from filing Form 990) should have an audit conducted of their financial

statements and consider attaching a copy to their Form 990 or 990-PF. Smaller charities with revenues of at least \$250,000 should choose a review or at least have their financial statements compiled by a professional accountant. The boards of nonprofit organizations that forego an audit should evaluate that decision periodically.

All nonprofit organizations that conduct outside audits, particularly medium to large organizations, should consider forming an audit committee and should separate the audit committee from the finance committee.

The audit committee should be composed of individuals who are not compensated for their service on this committee and do not have a financial interest in or any other conflict of interest with any entity doing business with the organization. Most nonprofit organizations have volunteer board members. Nonprofit organizations that do compensate board members should not compensate audit committee members for their additional service. In addition, all nonprofits should ensure that no members of staff, including the chief executive, serve on the audit committee, although it is reasonable to have the chief financial officer provide staff support to the audit committee. The chair of the audit committee should be a board member and it is reasonable to expect that the majority of the committee members are board members.

The audit committee should ensure that the auditing firm has the requisite skills and experience to carry out the auditing function for the organization and that its performance is carefully reviewed.

The audit committee should meet with the auditor, review the annual audit, and recommend its approval or modification to the full board. The full board should review the annual audit and the audit committee's report and recommendations. Ideally the full board would also desire to meet with the auditor before formally accepting or rejecting the audit.

At least one member of the audit committee should meet the criteria of financial expert and have adequate financial savvy to understand, analyze, and reasonably assess the financial statements of the organization and the competency of the auditing firm. This may be a non-director advisory member where permitted by state law.

Orientation of board members should include financial literacy training.

To support the accounting field and help ensure that nonprofit boards have available financial expertise, professional accreditation and membership organizations of accountants should require CPAs to participate in a pro bono nonprofit board service program.

RESPONSIBILITIES OF AUDITORS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The Sarbanes-Oxley Act requires that the lead and reviewing partner of the auditing firm rotate off of the audit every five years. This does not necessarily mean that the auditing firm must be changed, although that may be the most direct way to comply with this requirement.

In addition, the Act prohibits the auditing firm from providing most non-audit services to the company concurrent with auditing services. This prohibition applies to bookkeeping, financial information systems, appraisal services, actuarial services, management or human resource services, investment advice, legal services, and other expert services unrelated to the audit. The board's audit committee may, however, pre-approve certain services (not included in the above categories), such as tax preparation, which can then be carried out by the auditing firm. In addition, the pre-approval requirement is waived for non-auditing services if the value of the non-auditing services is less than five percent of the total amount paid by the organization to the auditing firm for auditing services.

The Act also requires that the auditing firm report to the audit committee all "critical accounting policies and practices" that are used by the organization, discussed with management, and represent the preferred way management wants these policies and practices treated. These critical accounting practices include methods, assumptions, and judgments underlying the preparation of financial statements according to generally accepted accounting principles (GAAP) and assurance that any results would be disclosed in case of changed assumptions.

RELEVANCE TO NONPROFIT BOARDS

Changing auditors (partner or firm) every five years should be considered on a regular basis. The rationale: Auditing firms may grow accustomed to the financial procedures within one organization after a certain number of years, and bringing in a new firm helps ensure that all practices are closely examined.

Nonprofit organizations would be well served to adopt the Sarbanes-Oxley rule of preventing auditing firms from providing non-auditing services, as this provision precludes a conflict of interest between the auditing firm and the client. At a minimum, application of the rule should be considered in each case. At the same time, certain services can be pre-approved by the audit committee, and there is no reason why tax services and preparation of the Form 990 or 990-PF (for private foundations), for example, could not and should not be undertaken by a nonprofit's auditing firm. This can also ensure that certain economies are achieved for the client.

Finally, the provisions about disclosure to the audit committee of critical accounting policies and discussions with management also seem to follow good practice. Greater disclosure of these internal control practices and management's views on them will foster more informed judgments by the audit committee, enhanced oversight by the board, and greater transparency. The critical accounting practices would include processes for segregation of duties, policies to use restricted funds for intended purposes, processes to review off-balance sheet transactions, and procedures for monitoring inventory fluctuations. In addition, the audit committee may be an effective committee for overseeing implementation and enforcement of the governing body's conflict-of-interest policy.

RECOMMENDATIONS

Large nonprofits should consider rotating at least the lead and reviewing partners of the audit firm every five years.

Nonprofit organizations should be cautious when using their auditing firms to provide non-auditing services except for tax preparation, which should be approved in advance, while the firm is contracted to provide auditing services.

The audit committee should require each auditing firm to disclose to the committee all critical accounting policies and practices used within the organization as well as share with the committee any discussions with management about such policies and practices.

CERTIFIED FINANCIAL STATEMENTS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The chief executive and the chief financial officers must certify the appropriateness of financial statements and that they fairly present the financial condition and operations of the company. There are criminal sanctions for false certification, but violations of this statute must be knowing and intentional to give rise to liability.

In addition, to avoid conflicts of interest, the CEO, CFO, controller, and chief accounting officer cannot have worked for the auditing firm for one year preceding the audit.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Any CFO who is responsible for generating timely and accurate financial statements for the company or organization should feel comfortable about certifying document integrity.

In a for-profit company, a positive bottom line is the CEO's responsibility. Business acumen, capacity to interpret financial statements in detail, and skillfulness in convincing the board and shareholders that the corporation is meeting all expectations are obvious characteristics in a manager. Likewise, a nonprofit chief executive may be handicapped without adequate financial skills. He or she may be hired, however, primarily for other qualities. Nonprofit CEOs may excel in fundraising, knowledge of the organization's field of interest, or a variety of other skills. Lack of superior financial prowess must be complemented by a skillful financial officer; without that person, the organization cannot convince donors and funders that their money is properly managed. Nevertheless, it is still the responsibility of the CEO to ensure good stewardship of the organization's resources.

Under Sarbanes-Oxley, CEO and CFO certification carries with it the weight of the law, but part of the underlying rationale is to ensure that both the CEO and CFO know and understand the financial statements. For a nonprofit organization, CEO and CFO sign-off on financial statements would not carry the weight of law (although some states are now considering adopting a similar requirement), but it

would signal the importance that the CEO, in particular, attaches to understanding the nonprofit's financial condition.

For nonprofit organizations, a key financial document is the Form 990 or 990-PF. The form requires a signature from an officer of the organization. Research from a number of studies reveals that the accuracy of these forms leaves much to be desired. Many of the errors in the Form 990 and 990-PF relate to failures to complete all forms, including Schedule A. Other problems include presenting an inaccurate report on fundraising costs, thereby distorting the required financial picture of the organization's operations. Thus, it is critical that nonprofit organizations examine their financial systems, policies, and reporting to help improve the accuracy and completeness of these forms.

There is, in all likelihood, considerably less staff movement in the nonprofit world between accounting firms and client organizations than there is in the for-profit world. Furthermore, because nonprofit executives do not receive lucrative stock options, the relevance of possible conflicts of interest from an auditor joining the executive staff of a nonprofit client is correspondingly less.

RECOMMENDATIONS

CEOs or CFOs, while they need not certify the financial statements of the organization, do need to fully understand such reports and make sure they are accurate and complete. Signing off provides formal assurance that both the CEO and the CFO have reviewed them carefully and stand by them.

The CEO and CFO should review the Form 990 or 990-PF before it is submitted to ensure that it is accurate, complete, and filed on time.

Regardless of whether the CEO and CFO certify the financial report, the board has the ultimate fiduciary responsibility for approving financial reports. Just as the financial and audit reports are reviewed and approved by the audit committee and the board, the Form 990 or 990-PF should also be reviewed and approved. At a time when the Form 990 and 990-PF are published on the Internet by third parties, it is more important than ever that directors be familiar with the contents of the organization's 990 each year.

INSIDER TRANSACTIONS AND CONFLICTS OF INTEREST

SUMMARY OF SARBANES-OXLEY PROVISION

The Act generally prohibits loans to any directors or executives of the company.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits are currently highly regulated with respect to financial transactions that take place within the organization. Private inurement, excessive personal benefit, and self-dealing all cause serious penalties for any nonprofit that steps out of line. "Intermediate sanctions" laws specifically address compensation and excess benefit transactions with "disqualified" individuals, generally board members and executive staff.

Providing private loans to insiders — the specific item included in the Sarbanes-Oxley Act - is not a common practice in the nonprofit sector. However, when it has occurred, it has caused problems either from the perception of a conflict of interest or because it has not been appropriately documented as part of executive compensation. In addition, in some states, nonprofit law expressly prohibits loans to directors and officers.

RECOMMENDATIONS

Because the practice of providing loans to nonprofit executives has been a source of trouble in the past and because this practice is specifically prohibited under Sarbanes-Oxley and in some states, it is strongly recommended that nonprofit organizations not provide personal loans to directors or executives.

If such loans are provided, they should be formally approved by the board, the process for providing the loan should be documented, and the value and terms of the loan should be disclosed.

To guide the board and staff in independent decision making, the organization must have a conflict-of-interest policy with board members annually disclosing their potential conflicts of interest, and this policy must be enforced without fail.

DISCLOSURE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires a number of disclosures, including information on internal control mechanisms, corrections to past financial statements, and material off balance sheet transactions (adjustments). The Act also requires companies to disclose information on material changes in the operations or financial situation of the company on a rapid and current basis.

RELEVANCE TO NONPROFIT ORGANIZATIONS

While nonprofit organizations do not file most of the reports that publicly traded companies are required to file, they should nevertheless provide their donors, clients, public officials, the media, and others with an accurate picture of their financial condition. Current law already requires tax-exempt organizations to make their Forms 990 or 990-PF freely available to anyone who requests them in writing or in person. These information returns, as mentioned before, need improvements both in accuracy and in timeliness of disclosure. One way to achieve that objective is through electronic filing, something the Internal Revenue Service is currently pursuing and the nonprofit community generally endorses.

RECOMMENDATIONS

Nonprofit organizations should improve the timeliness, accuracy, and completeness of the Forms 990 or 990-PF by filing electronically when that option is available to them. Nonprofits should strive for greater disclosure and transparency.

Nonprofits should not rely on automatic extensions for filing Forms 990 and 990-PF without cause.

Audited financial statements should be easily accessible for review.

Two provisions of the Sarbanes-Oxley Act apply to all entities because they are amendments to the federal criminal code, so all nonprofit organizations need to comply with them.

WHISTLE-BLOWER PROTECTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act provides protections for whistle-blowers and imposes criminal penalties for actions taken in retaliation against those who risk their careers by reporting suspected illegal activities in the organization. It is illegal for any entity — for-profit and nonprofit alike — to punish the whistle-blower in any manner.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits must start by protecting themselves. They must eliminate careless and irresponsible accounting practices and benefit from an internal audit that brings to light weak spots and installs processes that are not vulnerable to fraud and abuse. Written policies that are vigorously enforced by executive staff and the board send a message that misconduct is not tolerated. These policies should cover any unethical behavior within the organization — including sexual harassment.

Each organization must develop procedures for handling employee and volunteer complaints, including the establishment of a confidential and anonymous mechanism to encourage employees and volunteers to report any inappropriateness within the entity's financial management. No punishment for reporting problems — including firing, demotion, suspension, harassment, failure to consider the employee for promotion, or any other kind of discrimination — is allowed. Even if the claims are unfounded, the organization may not reprimand the employee. The law does not force the employee to demonstrate misconduct; a reasonable belief or suspicion that a fraud exists is enough to create a protected status for the employee.

RECOMMENDATIONS

Nonprofits must develop, adopt, and disclose a formal process to deal with complaints and prevent retaliation.

Nonprofit leaders must take any employee and volunteer complaints seriously, investigate the situation, and fix any problems or justify why corrections are not necessary.

DOCUMENT DESTRUCTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act addresses destruction of litigation-related documents. The law makes it a crime to alter, cover up, falsify, or destroy any document (or persuade

someone else to do so) to prevent its use in an official proceeding (e.g., federal investigation or bankruptcy proceedings). The Act turns intentional document destruction into a process that must be monitored, justified, and carefully administered.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Common sense dictates that individuals, nonprofit organizations, and companies regularly need to shred or otherwise dispose of unnecessary and outdated documents and files. Like their for-profit counterparts, nonprofit organizations need to maintain appropriate records about their operations. For example, financial records, significant contracts, real estate and other major transactions, employment files, and fundraising obligations should be archived according to guidelines established by the organization. Because of current technology, electronic files and voicemail can become complicated as we come to understand the relevance of the delete button as a permanent method of file removal.

RECOMMENDATIONS

A nonprofit organization should have a written, mandatory document retention and periodic destruction policy. Such a policy also helps limit accidental or innocent destruction.

The document retention policy should include guidelines for handling electronic files and voicemail. Electronic documents and voicemail messages have the same status as paper files in litigation-related cases. The policy should also cover back-up procedures, archiving of documents, and regular check-ups of the reliability of the system.

If an official investigation is underway or even suspected, nonprofit management must stop any document purging in order to avoid criminal obstruction charges.

CONCLUSION

The Sarbanes-Oxley Act has now been in force for several years. The legal climate has intensified in the nonprofit sector as Congressional committees and state legislatures are actively proposing new legislation to regulate organizations. Individual nonprofits have begun to identify loopholes - and figure out how to eliminate them. Watchdog agencies and other nonprofit field-building organizations are reconsidering assumptions and standard operating procedures in an effort to identify guidelines, standards, and best practices in the sector.

Regardless of the present scope of existing and potential new legislation at the state and federal level, nonprofit organizations have heard the wake-up call. For all of us in the sector, the Sarbanes-Oxley Act spearheaded a renewed realization that nonprofit organizations rely on - and must protect - the indispensable and unequivocal confidence and trust of our constituents. Self-regulation and proactive behavior will always prove more powerful than compulsory respect of laws.

ADDITIONAL RESOURCES

Press Release from the Office of New York State Attorney General

www.oag.state.ny.us/press/2003/mar/mar12a_03.html

“Strengthening Transparency, Governance, Accountability of Charitable Organizations, a Final Report to Congress and the Nonprofit Sector, June 2005.” Panel on the Nonprofit Sector, www.nonprofitpanel.org/final.

Summary of the Sarbanes-Oxley Act

www.aicpa.org/sarbanes/index.asp.

Recommendations from the National Association of Corporate Directors

Concerning Reforms in the Aftermath of the Enron Bankruptcy

www.nacdonline.org/nacd/enron_recommendations.asp

“Corporate Governance. The Wall Street Journal Reports.” *Wall Street Journal*, February 24, 2003.

“Raising the Bar on Governance: Board Committee Performance in the New Era of Accountability.” American Governance & Leadership Group, 2002.

Hamel, W. Warren. “What Corporate Governance Legislation Means to You.” *Association Management*, March 2003.

Heinz, Patrice A. “The Financial Reporting Practices of Nonprofits”. Alliance for Children and Families, 2003. www.alliance1.org/Home/SOX_final_8-03.pdf

Kokourek, Paul F., Christian Burger, and Bill Birchard. “Corporate Governance: Hard Facts about Soft Behaviors: Seven steps to fixing what Sarbanes-Oxley can’t.” *strategy+ business*, Issue 30, Spring 2003.

McLaughlin, Thomas A. “For-Profit Spillover: New Regulation of Independence.” *NonProfit Times*, February, 1, 2003.

Michaelson, Martin. “A New Era of Corporate Governance Bears Down on Higher Education.” *Trusteeship*, January/February 2003.

Are We Doing a Good Job?

By Jan Masaoka, CompassPoint Nonprofit Services

This evaluation will solicit opinions on the functioning of the board on an interactive, perceptive level.

Overall, how would you rate the following:

	No opinion	Terrible	Not very good	Good	Great
The quality of the agenda (topics, supporting materials, focus)					
The quality of the meeting (time well spent, appropriate interaction, meaningful dialogue)					
The feeling that your individual opinions are understood					
The feeling that your individual opinions are valued					
The trust level among Board members					
The ability to stay focused on the agenda					
The level of respect board members have for each other.					
The quality of information we have to support decision making					
The quality of our decisions					
Interactions with Staff					
The clarity of the board and committees responsibilities					

Comments:

1. What are the three biggest issues facing us as a board?

2. What issues must or must not be discussed during the next few meetings?

3. If you could change two things about how the board operates what would they be?

Ten Effective Board Meeting Tips

Adapted from *The Nonprofit Times*, July 2000

1. Agree on the organization's mission.
2. Clearly define the desired outcomes.
3. Ensure that everybody is talking about the same thing at the same time. Clarify the issue under discussion whenever necessary.
4. Require advance reading. Provide materials for review one week in advance.
5. Place time limits on the agenda.
6. Block out dates for future meetings for one year.
7. Be determined to create opportunities to involve all board members. Create a culture of engagement – everybody plays, everybody wins.
8. Remember confidentiality rules. Telling negative stories in the community has a half-life of uranium...
9. Value constructive dissent. But, when the conversation is over – and the vote taken; in public, it's a board decision – supported by all.
10. Annually provide adequate opportunities for the board to meet in executive session.

None of us is as smart as all of us

- Warren Bennis

If you're not confused, you don't know what's going on...

- Corporate CEO, quoted by Warren Bennis

Dashboards for Boards

The dashboard in a car gives an instant update on many important factors: speedometer, gas left in the tank, engine temperature, whether the air conditioner is on. At the same time, it may not give you the most important piece of information – whether you are on the right road. A nonprofit dashboard is similar: it gives important information to decision makers such as executives and boards, in a quick-read way. But it may not be helpful on bigger matters: are we doing the right work? Should we be considering merging or a new initiative? CompassPoint consultants increasingly work with client organizations to develop dashboard indicators. Here's an example that may be helpful to you.

Dashboard Key

Red: Act now
Yellow: Watch
Green: Celebrate!

A report issued at the halfway point in the fiscal year:

Performance Indicators

1. Program

- *Number of first-time clients:*
Target: 360 per year. Current status: 205. GREEN
- *Post-test scores:*
Target: 80% have increase of 50% or more. Current status: 65%. RED
- *Client satisfaction:*
Target: Average score of 4.2 out of 5.0. Current status: 4.6. GREEN
- *Volunteer hours:*
Target: 960 per year. Current status: 569. GREEN

2. Finance

- *Days of cash on hand:*
Target: 30 day. Current status: 14. RED
- *Net surplus or deficit compared to budget:*
Target: within \$25,000. Current status: \$28,000. YELLOW
- *Days after month end for financial statement preparation:*
Target: 21 days. Current status: 41. RED

3. Fund Development

- *New individual donors:*
Target: 100 this year. Current status: 82. GREEN
- *New foundations or corporations:*
Target: 10 this year. Current status: 5. GREEN
- *Total non-government revenue:*
Target: \$600,000 this year. Current status: \$178,000. YELLOW

4. Human Resources

- *Performance evaluations completed on time:*
Target: 90%. Current status: 82%. YELLOW
- *Staff meeting or exceeding goals in core job functions.*
Target: 95%. Current status: 97%. GREEN

5. Board of Directors

- *Attendance at board meetings:*
Target: 75%. Current status: 83%. GREEN
- *New board members joining:*
Target: 6 this year. Current status: 2. RED
- *Executive Director performance evaluation completed on time*
Target: Yes. Current status: on timeline but not completed. YELLOW

Imagine getting a dashboard like this at every meeting. With a glance, board members could see how the organization is doing, and go to the important questions. The board would also be able to discuss what indicators should be added to the dashboard, and which might not be necessary. Board committees could look at expanded sets of indicators within their own areas. For example: the Fund Development Committee might have additional indicators around major donors or attendance at events.

If this Dashboard is distributed at each board meeting, the board can zero in on key issues, rather than try to discover issues on their own. Don't forget that a dashboard shows a lot, but not everything.

Leading through the predictable crises of the nonprofit life cycle: Boards and Their Stages of Development

For several years, nonprofit researchers have been studying board of directors and linking their behaviors to the issues of the cycles of organizational development. The Stevens Group in Minneapolis and Karl Mathiesen, III are well-known for their work on this subject. The theories link age and size of organizations and their boards to certain common characteristics, regardless of mission. Just as in human development, it is often comforting for nonprofit leaders to realize that problems are frequently caused by where your organization is in the life cycle rather than just the particularly difficult group of people you have on your board!

All of these theories recognize the difference between a start-up and fully mature organization. Board development issues often mirror fund development needs. New theories of social architecture (ex., McKnight's asset based development theory is a powerful driver for board composition) often have their impact on how best to create a strong decision-making body for your organization. So, let's think together about what is common and different about the needs of the nonprofit organization from its key volunteer leadership at different times in its development. Your own board may well combine characteristics listed for each.

1. **The Founding Board - or the Organizing Board** (Years 0-3+)
Adjectives: Passionate, Committed, Overwhelmed
Others?

Governance Characteristics:

- Tightly held by a small group of no more than 7-10 members;
- Driven by cause;
- Loyal to the vision and person of the Executive Director;
- Risk-takers - sometimes naive;
- Program volunteers, not chosen for access to wealth or power;
- Unclear roles - little investment in hierarchy;
- Similar to advisory board - lots of advice, less governance;
- Acts as committee of the whole for most decisions;
- Few policies - developing procedures;
- Others?*

Needs of the organization from the board

- Strong belief in mission and necessity of the organization;
- Optimism;
- Hard work - sometimes sacrificial;
- Effective partnership with staff;
- Creativity;
- Strong connection to community;
- Instinctive marketing skills;
- Patience with lack of structure;
- Others?*

Dangers for this type of board and the organization they serve:

Inability to value staff's contribution when everyone else is a volunteer;
Financial assumptions unrealistic - either too high or too low;
Fragile and overly personal;

2. The Working Board - *or the Governing Board* (Years 4 - 10 or more)

Adjectives: Faithful, determined, inclusive

Others?

Governance characteristics:

Board building as key strategy - board of 17-19 members;
Attracted to cause, but less of a purity test for board membership;
Effective partnership between Executive Director and Board Chair;
Calculated risk-takers;
Attentive to the bottom line;
Better role clarity between staff and board;
Finance, fund development, board development committees function well;
Appropriate policies (esp. personnel) developed and implemented;
Others?

Needs of the organization from the board:

Demand for effective articulation of results and impact of public investment
Appreciation for and implementation of the power of the board member in fund development;
Respect for the mission and the work of the staff;
Knowledge of community, connection to leaders;
Knowledge of relevant business practices, use of expertise;
A long and hopeful view;
Willingness to do intensive planning;
Regular and useful evaluation of Executive Director/CEO;
Regular and useful evaluation of Board itself;
Others?

Dangers for this type of board and the organization they serve:

Inability or unwillingness to convert from the excitement & drama of the founding Board phase;
Unwillingness to own fiscal responsibilities (getting it & spending it);
Lack of culture of constructive dissent - too many parking lot meetings;
Weak or ineffectual board leadership - spending too little or unwilling to deal with conflict;
Others?

3. The Fundraising Board - *or the Institutional Board* (not years, but people)

Adjectives: Powerful, Diverse, Connected

Others?

Governance characteristics:

Board truly representative of the community it serves - 17-25 members;
Organization's reputation makes it an attractive board on which to serve;
Community involvement structure includes well-utilized Council of Advisors (unlimited # of members);
Board members own responsibility for leading individual donor fundraising activities;
Annual evaluation of the diversity of the funding base that produces strong financial position;
Clear distinction between board and staff responsibilities;
Interest in building the organization's capacity and bottom line;
Committee charges clearly defined & doing real work, routinely include non-board members;
Excellent use of policies & procedures as needed to protect board and staff;
Others?

Needs of the organization from the board:

Continued attention to case for support - results, impact, clear succinct messages of its distinctive value;
A shared culture of action and responsibility;
Attentiveness to mission creep - not falling into the "following the money" syndrome;
Careful attention to legal and fiduciary responsibilities - clear and continually enforced policies;
Careful attention to board composition - continued aggressive recruitment of talent;
Determination to remain current in practices and programs;
Continued time spent on planning;
Attention to issues of succession - both staff and board leaders;
Others?

Dangers for this type of board and the organization they serve:

Clique makes all important decisions - True diversity is lost as many members feel disenfranchised;
Every board meeting is all about money - attention to mission is diffused;
Hubris affects innovative practice by staff and board;

Committee Structure for Small Boards

Finance and Development Committee (could be one or two different committees)

Oversees the Financial performance of the organization

- To review budgets initially prepared by staff, to help develop appropriate procedures for budget preparations (such as meaningful involvement by program directors), and on a consistency between the budget and the organization's plans
- To report to the board any financial irregularities, concerns, opportunities
- To recommend financial guidelines to the board (such as to establish a reserve fund or to obtain a line of credit for a specified amount)
- To work with staff to design financial reports and ensure that reports are accurate and timely
- To oversee short and long-term investments
- To recommend selection of the auditor and work with the auditor
- To advise the executive director and other appropriate staff on financial priorities and information systems, depending on committee member expertise.

Fundraising

- To work with staff to establish a fundraising *plan* that incorporates a series of appropriate vehicles, such as special events, direct mail, product sales, etc.
- To work with staff in their efforts to raise money
- To take the lead in certain types of outreach efforts, such as chairing a dinner/dance committee or hosting fundraising parties, etc.
- To be responsible for involvement of all board members in fundraising, such as having board members make telephone calls to ask for support
- To monitor fundraising efforts to be sure that ethical practices are in place, that donors are acknowledged appropriately, and that fundraising efforts are cost-effective.

Leadership and Governance Committee

Board management

- Ensure effective board processes, structures and roles
- Nominating:
 - Prepare priorities for board composition
 - Meet with prospective board members and recommend candidates to the board
 - Recommend a slate of officers to the board
 - Conduct orientation sessions for new board members and to organize training sessions for the entire board
- Ongoing board development
- Suggest new, non-board individuals for committee membership.
- Recommends dismissal of directors as appropriate
- Evaluates performance of board annually

Personnel (except review of executive director)

- Acts as a grievance board for written employee complaints. *Reviews only written grievances against the executive director or when an employee formally appeals a decision by the executive director to the board.*
- Draft and/or revise personnel policies for board approval,
- Review job descriptions,
- Establish a salary structure, and annually reviewing staff salaries,
- Review the benefits package.

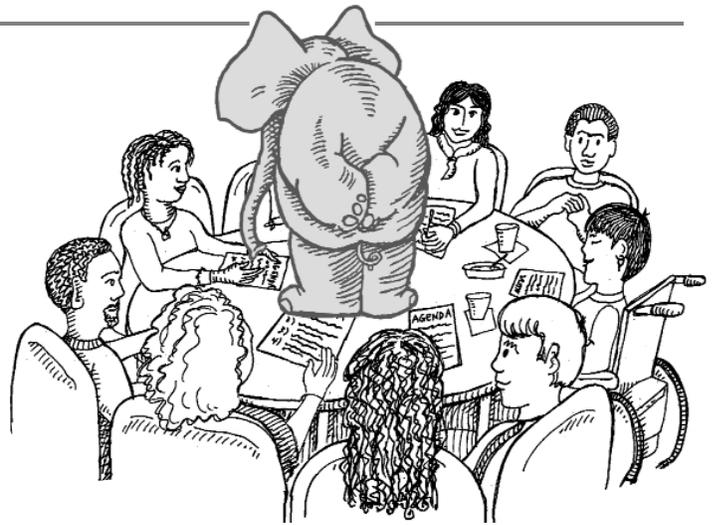
Executive committee

- Oversee operations of the board;
- Acts on behalf of the board during on-demand activities that occur between meetings, and these acts are later presented for full board review;
- Comprised of board chair, other officers and/or committee chairs
- Personnel:
 - Performs annual evaluation of executive director
 - Acts as a grievance board for written employee complaints. *Reviews only written grievances against the executive director or when an employee formally appeals a decision by the executive director to the board.*
 - Draft and/or revise personnel policies for board approval,
 - Review job descriptions,
 - Establish a salary structure, and annually reviewing staff salaries,
 - Review the benefits package.

Committee Best Practices:

- Meet as often as necessary. Be task oriented, not meeting oriented.
- Clearly communicate times of meetings and tasks to be accomplished between meetings.
- Chairs of committees are responsible for scheduling meetings, inviting members, developing the agenda, and keeping any notes.
- The committee may delegate tasks as appropriate to others.
- Don't redo work of committee at the full board meeting. The committee has already deliberated on the issue, the board should not re-make the decision.
- Distributes clearly defined tasks to members of the board.
- Consider having non-board volunteers as members of committees
- Without clear delegation of tasks, a few members can become overworked – expertise of others not utilized effectively.
- Purpose of the committee is clear to all.
- Careful time control: length of meetings, as well as development of overall committee time path.
- Sensitivity within to each other's needs; good communication among all members.
- An informal relaxed atmosphere.
- Good preparation on part of the chair and members.
- Interested, committed members.
- Minutes are complete and concise.
- Periodic self-assessment of committee's performance.
- Recognition and appreciation are given to members so that they feel they are really making a contribution.
- The work of the committee is accepted and makes a valuable contribution to the organization.

THE ELEPHANT IN THE BOARD ROOM: ROUND ONE



By KIM KLEIN, AMANDA BALLARD and MANAMI KANO

Most people have heard the phrase “the elephant in the living room” to refer to a giant problem that no one is talking about. We who work in the nonprofit sector have a number of elephants, but the biggest one in the herd is the board, followed closely by the many efforts to fix the board. We act as though a little restructuring here and a little training there will fix up a board so that it’s productive and functioning smoothly again. But we also know deep down that this is not the case. It is time to name this elephant and to bring into the open a real process for finding out how boards could actually work.

Here at the *Grassroots Fundraising Journal* and a sister organization, the Building Movement Project, we have been on a search for a model or models of board functioning that would actually work for the non-traditional organizations that comprise our constituency. With funding from the Brainerd Foundation, we conducted an intensive literature review and an in-depth examination of some organizations that have tried alternatives to the various traditional board models. We have led a few workshops, held a number of phone interviews, and had dozens of informal conversations with board members, development directors, executive directors, consultants, funders, volunteers, and academics about the topic of board functioning.

Our focus is on organizations with budgets of less than \$2,000,000, with boards that are self-selected or elected, and with missions that focus on issues of social change, social justice, advocacy, or the environment. These broad categories often include organizations devoted to arts and culture, community organizing, social service, and public interest law, as well as think tanks, and so on. We are most interested in organizations that care about diversity on the board and staff and that seriously want to be institutions, not just the vision or hobby of one or two people.

The organizations we work with must raise money every year. They generally do not have endowments, and they are not so famous as to be able to expect their annual

operating budgets to appear without significant effort. Their board members are, with a few exceptions, not wealthy, and fundraising is a struggle. Any new suggestions must include board involvement in fundraising in a significant way without changing a commitment to economic diversity.

With this paper, we want to share what we have learned so far and suggest some new ways of thinking about boards. Even more important, we want to initiate a dialogue in order to examine this elephant: What does it look like? How did it get this way? How can we begin to solve the problem the elephant represents? We hope you will share your own thoughts on this topic and your experience in trying new things: What has worked, what hasn’t? Do you think what we are suggesting might or might not work, or how could it be improved?

Consider what follows “round one” of this discussion.

THE PROBLEM, THE PREMISES, THE QUESTION

We start by identifying the problem as we see it, followed by two premises that must underlie any attempts to “fix” board functioning. Then we articulate the main question that needs to be answered.

The Problem: By law, nonprofits must be governed by a board of directors. However, most boards do not function well.

Background: When nonprofit law was created in the 1950s, the model of a board comprised of volunteers who had abundant time to carry out the work made sense: there were only 30,000 nonprofits, which translated into about 510,000 board slots (assuming an average board size of 17 members). At that time, what we think of as the standard model of board functioning also made sense: volunteers gave their time to supervise paid professionals; assumed legal, moral and fiscal responsibility for the organization; engaged in fundraising, created policy, and evaluated programs. Board members ideally did all this while maintaining harmonious relationships with staff.

Moreover, this same group of people was expected to recruit new board members who moved into the work seamlessly, and all this happened year in and year out. While this structure might have worked then, today its success as a model seems about as likely as being struck twice by lightning.

Fifty years and counting after the law was created, things are vastly different: there are 1.5 million nonprofits; they need about 25.5 million people to fill their board seats. Economic times have changed: whereas previously many people, mostly women, had time to volunteer on boards, today more women are working full time and both men and women are often working more than one job. Volunteer time for board participation has diminished even as the need for it has increased.

A major corollary of this shift in people-power is that those who do join boards often don't learn all they need to fulfill their fiduciary responsibilities. They learn on the job, they learn badly or only part of what they are expected to do — and both board and staff end up frustrated.

Premise #1: To be effective and able to roll with the winds of change; to remain fully mission-driven, with a diversity of staff, volunteers and funding yielding enough money and time to do the work; to really be about the business of making their communities better places to live — to accomplish all this, nonprofit organizations need strong boards.

Premise #2: Staff and board members must have a strong commitment to the mission of the organization. This commitment implies a clear understanding of the work of the organization and an ability to articulate that understanding to friends, colleagues, donors, funders and the general public.

The Question: What kind of model or models of board functioning will work — that is, enable these two premises to be fulfilled — for the kinds of organizations we are most concerned with?

OLD SOLUTIONS

A small industry of consultants (including those associated with the *Grassroots Fundraising Journal*) has arisen to try to help organizations answer this question. There are literally thousands of articles, dozens of web sites, and hundreds of books and videos with prescriptive solutions to the problems boards face.

Responding to the first premise, many consultants, practitioners, and academics have come up with a variety of structures to try to improve how boards operate. Each of these structures has useful features. Nonetheless, new problems keep cropping up. We are no sooner done with advising one organization than a dozen more are on the horizon needing help. So, while we have been working around the

elephant, we may have merely created new paths for her to lumber along until she reaches yet another dead end.

NEW DIAGNOSIS: FOCUS ON PROCESS, NOT STRUCTURE

There is in fact no *structural* solution to this problem. Many boards work for some period of time — the chair is good, the ED works well with the board, the committees click. Every structure works for a while, and then doesn't seem to work any longer. Some new structure is needed to kick-start the board into better functioning.

What we need is to analyze, document and develop the *process* by which an organization would choose one structure over another at any given time, and the process by which they would move on to a new structure when the old one no longer works. In this new approach, all structures would be temporary and permeable, more like tents than buildings.

The solution to the problems of boards is, in other words, a *process* solution. Instead of subscribing to the paradigm, “We restructured and now we don't need to do that,” we would instead use the notion, “We have figured out how to continually create ourselves so that we are operating from our individual and collective strengths, which are constantly evolving.”

The process we are looking for has these characteristics:

- Simple to use
- Easy to understand
- Replicable
- Inexpensive to implement
- Will produce fairly immediate payoff to maintain motivation
- Able to cross class, race and age lines
- Applicable to a range of issues (environment, social service, organizing, arts, etc.)
- Useful for national as well as local groups
- Able to make a measurable difference in six months
- Flexible

WHAT WE LEARNED FROM THE LITERATURE REVIEW

The literature about boards comes in two broad types: prescriptive and academic. The prescriptive literature is what Grassroots Fundraising, CompassPoint, BoardSource, and many writers and consultants have created. Although our experience has shown us that this literature is helpful, and although we continue to produce it, we know it only goes so far.

Prescriptive literature instructs boards on how to be effective, usually recommending that they use certain structures, get a lot of training, do proper recruitment, run

their meetings in interesting ways, and so on. Academic literature, on the other hand, proposes large theoretical changes or analyzes the problem. Most academic literature suggests solutions tentatively; the writers are clear that their suggestions have not been tried. Academics and practitioners rarely seem to talk with each other, and it seems from the literature that practitioners rarely translate the suggestions developed from academic research into prescriptive actions. Most rare was literature of either kind that spoke specifically to our types of organizations.

Even so, much of what we read was thought-provoking and helpful. You can download an annotated bibliography at www.buildingmovement.org/artman/publish/resources.shtml.

Two books were of particular help in creating the suggestions contained in this essay: *Governance as Leadership: Reframing the Work of Nonprofit Boards*, by Richard P. Chait, William P. Ryan, and Barbara Taylor (BoardSource, 2005), and *The Structure of Women's Nonprofit Organizations*, by Rebecca L. Bordt (Indiana University Press, 1997). Also useful was an unpublished paper by Pat Bradshaw and others called "Nonprofit Governance Models: Problems and Prospects" (summarized at bsbpa.umkc.edu/mwcnl/research/renz/boards_and_governance.htm).

In *Governance as Leadership*, the authors suggest that boards think and govern more as leaders than as managers; that in addition to fiduciary and strategic governance, and beyond offering advice, expertise, and fundraising, boards also engage in what the authors call "generative leadership." Rebecca Bordt looks at women's organizations in New York City founded between 1968 and 1988 to document how ideas about organizational structure have changed. She finds that "Women today are creating hybrid forms of organization that combine, in innovative ways, the best characteristics of both" bureaucracies and collectives. Pat Bradshaw and her colleagues note that there is no "one best way" of nonprofit governance. They examine existing models and encourage innovation and creativity in creating new models that are hybrids of existing and emerging models.

KEY LEARNINGS

Two key points emerge from both the literature review and our interviews with organizations that have tried various alternative models. The first is that there is no one fixed solution to the problem; as noted above in our new diagnosis, organizations are not only going to have to find what works for them, they must also — and this is the critical feature — anticipate how they will need to change models as their circumstances change.

The second key point is that even though there is no

one way, there are five things that all workable processes and models have in common:

- As mentioned earlier, ***a commitment to and clear understanding of mission.***

- ***A process for surfacing and dealing with disagreement in a principled way.*** By principled, we mean people feel free to express their opinions and are open to hearing the opinions of others. Too often, the executive director, board chair, or even individual board members equate disagreement with disrespect and questions with criticism or lack of confidence in organizational leadership. Boards whose membership crosses cultural lines may have someone who is comfortable interrupting or talking loudly right next to someone who finds those behaviors intimidating or rude. Different cultures ascribe different meanings to the same words; "I'll try to do that" can mean anything along the spectrum from "I will do everything I can to get that done" to "No way am I even going to start on that." Boards that include people whose first language is not English (or the dominant language of the board), can have misunderstandings from the way things are translated.

- ***Leaders, especially at the executive director and board chair level, who want to create a working team.*** The best leaders are those who genuinely like working with people and are willing to spend time on this process. Our interviews and workshops revealed control issues in which there is a refusal to share or delegate power or a desire to be the main person associated with the organization. We were told by two different board chairs, "I don't like meetings." An executive director said, "I founded this organization; it is mine, and I should have the most say about what happens." While people like this may be gifted, they are not suitable candidates for the jobs they have.

- ***A culture of both accountability and forgiveness.*** When someone says they will do something and they don't, it should not be ignored, but neither should it be used as the last word about this person. Too often, we find that an executive director equates failure by a board member to keep one commitment as an inability to keep any commitment. Similarly, staff and consultants will mistake board members' doubt and uncertainty about their ability to raise money as a refusal to be part of the process of fundraising. Over time, a culture develops in which failure to follow through on the part of the board and "I'll do it myself" on the part of the director become the norm.

- ***Training and education.*** People cannot be expected to know their job if it is not explained to them, often several times and in several ways. This element of successful board functioning is already well developed and much exists in the prescriptive literature.

NEW WAYS TO LOOK AT PROBLEMS

Now let's look at three common organizational issues and how they might be solved using both the new diagnosis and the principles just enumerated.

PROBLEM 1: No One Wants to Chair the Board

To solve this common problem, we try to figure out its component parts and address each part, rather than following the usual route, which is to browbeat someone into reluctantly taking on the role. The first step is to ask each board member what exactly they don't want to be or do when they say they don't want to be the chair and to push each person for a deeper explanation until we have a very specific list. For example, if someone says, "I don't have the time," we ask, "Time for what? What are you going to be asked to do as the chair that you are not asked to do now?" The list we develop will have some or all of the following reasons for not wanting to be board chair: don't like to run meetings, don't know how to read a balance sheet, schedule is too chaotic to show up for every meeting, not good at dealing with disagreement, don't understand exactly what the chair does. Using this list, one or more of the following things could happen:

- *One person could realize that she thought the role of the chair had far more responsibility than it does, and that she can make a commitment to be the chair.* If everyone agrees she would be a good chair, the problem is solved without changing the structure of the board at all.

- *People could divide up tasks, which is a common structure now.* One person designs the agenda and runs the meetings; another is in charge of all other tasks.

- *The entire board could realize that they need some training.* Maybe no one knows how to read a balance sheet, or maybe everyone would like a training in conflict resolution.

- *The group could decide that the position of chair will rotate, with each person holding the job for some short period of time,* such as two months, or four meetings, or through a hiring or a capital campaign.

There are other reasons that people might not want to be the chair, such as board members are intimidated by the executive director; several people on the board actively dislike each other; the organization is going through a scandal or a difficult transition. They are too complicated to deal with here but would make interesting case studies.

PROBLEM 2: Executive Director Feels that the Board Micromanages

Overinvolvement at too detailed a level is one of the most common complaints executive directors have about active boards. Sometimes this tension can be resolved by a

detailed clarifying of roles and responsibilities. In younger grassroots organizations, board members pitch in and do what needs to get done — often without a lot of thought as to whether it is their job. As the organization grows, board members may keep doing that, without realizing that their work begins to interfere with that of the staff.

Sometimes, however, there is a fundamental disagreement about roles. Perhaps the ED does not want the board to be engaged, except in fundraising. Chait and others point out that such an ED attempts to keep the board at such a great distance from day-to-day operations that they actually have little idea about what is going on. In such a situation the board's governing role can fade and the staff-board relationship easily become adversarial.

To solve this problem will require a more in-depth examination. Too often organizations in this situation look only at the role of the board. A new approach would also look at the role of the executive director: What would it take for the ED to welcome the work of the board? What work would be both useful and in keeping with the board's mandate? What does the ED actually need and what does the board need from the ED to work as team members all playing on the same side? What new roles might the board look to develop, such as Chait's "generative leadership"?

Micromanaging lends itself to an easy solution: stop it. But moving right to a solution will obscure the real issues, so in this problem, the goal would be to stay in a questioning, not-doing mode for a while to make sure that all the right questions had finally surfaced.

PROBLEM 3: Meetings Are Boring

The traditional meeting format is soporific. A series of reports, some requiring discussion and some decisions, follow one after the other. Motions are made and passed. A board member's only hope is that one of their colleagues has an entertaining presenting style or that the meeting is so well run that it doesn't last long.

Using a new model, the people designing the agenda might use different training and teaching techniques at each meeting or for each topic. For each item we would ask, "What do we want from this item?" More understanding? More engagement? Better follow-through? Volunteering for tasks? Final or interim decisions?

Moreover, we might ask, how can this agenda item come to life so that the board can put its best thinking on it? Perhaps one item would be done as a skit, some as role plays, some in the whole group, some in smaller groups. Board members might be asked to draw or to take a few minutes to write something, then pass it to the next person. Rather than being over quickly, the sign of a good meeting could be that people leave reluctantly, the way they would a great lecture or a stimulating dinner party.

The New Models

A number of new models of organizational behavior are being described as both practitioners and theorists grapple with the problem of boards. Dee Hock, the former CEO of VISA, coined the term *chaord* to describe an organization that runs on a synthesis of the best elements of chaos and order, while being dominated by neither. The concept of chaord has spawned a small industry itself: enter the word into a search engine and read some of what comes up. For our purposes, the notion of chaord — of “adapting organizations to their environment from the inside out,” as one web page puts it — came close to describing the process we were looking for: flexible, creative, able to change quickly, fun, with ownership shared by the whole group, tasks divided over the group, and members of the group able to do each other’s tasks, lots of communication, and powered by a deep commitment to values. (A familiar metaphor that captures some of the same elements is “team.”)

Pat Bradshaw and colleagues looked at a number of organizational models, including chaord, and developed a hybrid they called an “emergent cellular” model. While, as she admits, the model “is so new and is currently not well developed either theoretically or in practice,” it is nonetheless an interesting one to consider. Here is how Bradshaw describes it:

The emergent cellular model is characterized by distributed networks and continuous and organic innovation.... Cellular organizations are made up of cells (self-managing teams, autonomous business units, operational partners, etc.) that can operate alone but that can also interact with other cells to produce a more potent and competent organizational mechanism. It is this combination of independence and interdependence that allows the cellular organizational form to generate and share the know-how that produces continuous innovation.

Bradshaw noted one organization that had committed itself to this emergent cellular model of governance — the then newly created Canadian Health Network (CHN). CHN’s job is to provide reliable, easy-to-access, Internet-based health information to Canadians. CHN was itself a network of at least 500 health organizations throughout Canada, so trying this new model with them allowed a number of ideas to be tested. CHN renamed the model “organic mobilization” and described it this way:

Organic mobilization is based on the metaphor of healthy non-cancerous cells in the human body. Healthy cells grow, replicate and ultimately die. In contrast, cancerous cells cannot die and are characterized by unbridled growth. Similarly, healthy cells can commune with other cells around them and they have tumor-suppressing genes.

Our proposal is to use these concepts of chaord, team, emergent cellular model, and organic mobilization to create discussion about new board models. We hope that some organizations will be willing to try these concepts on and report as they develop some real experience with them.

As you can see, the process model is not applied in the same way for each problem. For some problems, we look for very practical, but out-of-the-box solutions. For other problems, we seek to surface all the questions and know that a solution proposed too early will simply cut off important analysis. For still other problems, we look for all kinds of ways to engage people, knowing that adults have myriad learning styles and that if we are going to take advantage of all the people in the room, we have to have something for each of them. (We intend to gather and publish more case studies as we go along.)

CONCLUSION OF ROUND ONE

Boards are the mainstay of nonprofit organizations, but as currently configured and structured, they are not doing the job they must do. One way to approach how boards might function more effectively is through a radical rethinking away from the notion of searching for the one fixed structure that will work and toward a more fluid understanding of the variety of ways in which boards can carry out their work. New understandings about what makes boards work and new models propose that boards remain flexible, engaging a variety of people in a variety of structures that change as needs change. Fluidity is the main characteristic of these new models. “How can we best do what we need to do now?” becomes the operational question.

YOUR TURN: ROUND TWO

We very much want your feedback, your experience and your questions. Perhaps you have a thorny organizational issue, and you would like to see what a process solution might look like. Perhaps we have not been clear enough in some of our points: Please feel free to ask specific questions. Perhaps you think there is a whole other way of thinking about governance: Please propose it.

The goal of this project is to generate discussion and to continually revise our thoughts every two or three months to reflect new thinking, or to compile opposing thoughts in a “Point, Counterpoint” fashion. In other words, just as with the board functioning, it is our goal to discover. Please join us in this organic process. The outcome is bound to strengthen us all. **GFJ**

KIM KLEIN IS THE PUBLISHER OF THE *GRASSROOTS FUNDRAISING JOURNAL*.

MANAMI KANO IS A FUNDRAISING AND ORGANIZATIONAL DEVELOPMENT CONSULTANT FOR SOCIAL JUSTICE NONPROFITS.

AMANDA BALLARD IS AN OPERATIONS SUPPORT COACH SUPPORTING PRINCIPALS IN THE OAKLAND UNIFIED SCHOOL DISTRICT.

Reasons All Board Members Should Give

“Each member should make a personal financial gift at a level that is meaningful to them.”

This language ensures that there is not an elitism allowed in the organization. Especially neighborhood organizations need to recruit from all walks of life. This phrase ensures that no one would be excluded from the board because of lack of financial resources. For some members, this might mean \$5 a year, for others, \$5,000.

It is difficult to ask others to give money to your organization if you have not given personally – and it’s hard enough already!

It sends a unified message to other funders – 100% of our board members give financially to the organization.

Fiduciary oversight: If your own money is involved in the financial statements, you’ll pay more attention to how it is being spent and managed.

Board members believe in the mission. Your primary gift is most likely the time, energy and connections you make for the organization, but your gift of money involves another aspect of your work.

When people give old clothes to charity, they should stay in them!

-Anonymous

Building Alliances to Boost Fundraising, Lower Workload and Maintain Local Identity

Building Alliances to Boost Fundraising, Lower Workload & Maintain Local Identity: *Leverage your marketing and fundraising efforts through effective use of collaboration and alliance strategies. Learn the characteristics of effective collaborations, partnerships and alliances and what differentiates them – when should a group employ each? Better understand how best to mitigate risks and learn to make it work!*

Why affiliate?

As the ceaseless demands for high quality programs that measure up to rigorous evaluation grew from funders and donors alike, coupled with expectations that small nonprofits would also be governed impeccably by people who seemingly have nothing else to do! And have all their projects executed with the expertise of a multi-national corporation, it became apparent that something new must be injected into the mix for success. Students of effectiveness in nonprofits hoped that if smaller nonprofits were better able to collaborate and partner, they might be able to meet some of these demands and act more like the ideal.

How can we better affiliate?

However, it turns out that partnering is another high level skill, however potentially useful it may be. This session encouraged those attending to sharpen their understanding of the opportunities and pitfalls from seeking to build additional community partnerships and alliances. First a common vocabulary was defined. Risks and rewards were identified. Participants were asked to take a hard look at what assets they brought to potential partnerships. They also were asked to be very thoughtful about deal breakers and other barriers.

Using materials from the Leader to Leader Institute's book, [The Collaboration Challenge](#), group members were invited to explore the possibility of business partners whose interests allied with the mission and programs of the CWA. All of these discussions contained a full appreciation of the risks involved, both the tangible, money and the intangible, reputation.

| Using The Seven C's of Strategic Collaboration:

- **Connection with purpose and people;**
- **Clarity of purpose;**
- **Congruency of mission, vision and values;**
- **Creation of value;**
- **Communication between partners;**
- **Continual learning;**
- **Commitment to the Partnership;**

Participants were asked to begin thinking comprehensively about their possibilities.

Success stories shared...

Stories were shared of regional nonprofits that had successfully found business partners. PA Association for Sustainable Agricultural (PASA) made a productive partnership with the McGinniss Sisters gourmet market in Pittsburgh. PASA represented a number of small family farms. McGinniss Sisters was aware of its customers' desire to *Eat Fresh, Eat Local*. PASA invited its farmer members to meet with McGinniss Sister's owners to discuss what crops they should plant to be most attractive to the gourmet market. It was a snowy, cold day in January when the meeting took place. That summer, when the farmers visited the store, they found their pictures and stories of their family farms mounted above their beautiful miniature squash and heirloom tomatoes! McGinniss Sisters' customers were charmed – and bought by the bushel!

Possible partnerships for watershed associations are many and varied!

Watershed associations are bringing the promise of sweet water and health to their local community. They are often working closely with government and other nonprofits. Businesses seeking additional opportunity should be encouraged to join with the CWA. Construction companies can move things on their company trucks. Media can promote the latest stream cleanup and the local insurance company can send its folks to help!

But how do we make it work?

Class participants were given tools to write a Memorandum of Understanding so that all parties are clear and specific in their expectations. Opportunities like co-location of offices, shared use of equipment or joint special events were also discussed. In all these discussions, the practical and real was stressed.

From these workshops, two of the watershed associations began to talk to each other about the opportunity for them to work more closely together. They have since moved on this idea and currently have a joint fundraising proposal before a major Pittsburgh foundation. This is a satisfying, concrete example of putting the tools and information in the workshops to productive use.

**All of us is smarter than one of us.
~Warren Bennis**

**All of life is interrelated.
We are all caught in an inescapable network of mutuality,
Tied to a single garment of destiny.
Whatever affects one directly affects all indirectly.
~Martin Luther King (Ohio, June 1965)**

Why Build an Alliance?

1. Increased Effectiveness–

to integrate services or to solve complex community problems

- Expanded services or geography
- Customer friendly
 - Example: Donation seems more effective to uninformed donor
 - Example: Chamber of commerce doesn't know which group to call.
- More Power/ Larger voice in the community
 - Advocacy campaigns need larger numbers
 - Relationship with legislators is stronger
- Focus is on strengths

2. Increased Efficiency

- Shared staff & functions may reduce cost
- Back Office/ Staffing Consolidations
 - Technical staff:
 - Technology support, specific expertise –
 - Engineer or construction supervisor, etc.
 - Fundraising
 - Clerical
 - Databases
 - Office space – copy machines, computer server, phone systems
- Increased usage and less duplication of services
- Smoother system functioning

Benefit of being both small and large

3. Finds creative solutions to complex problems

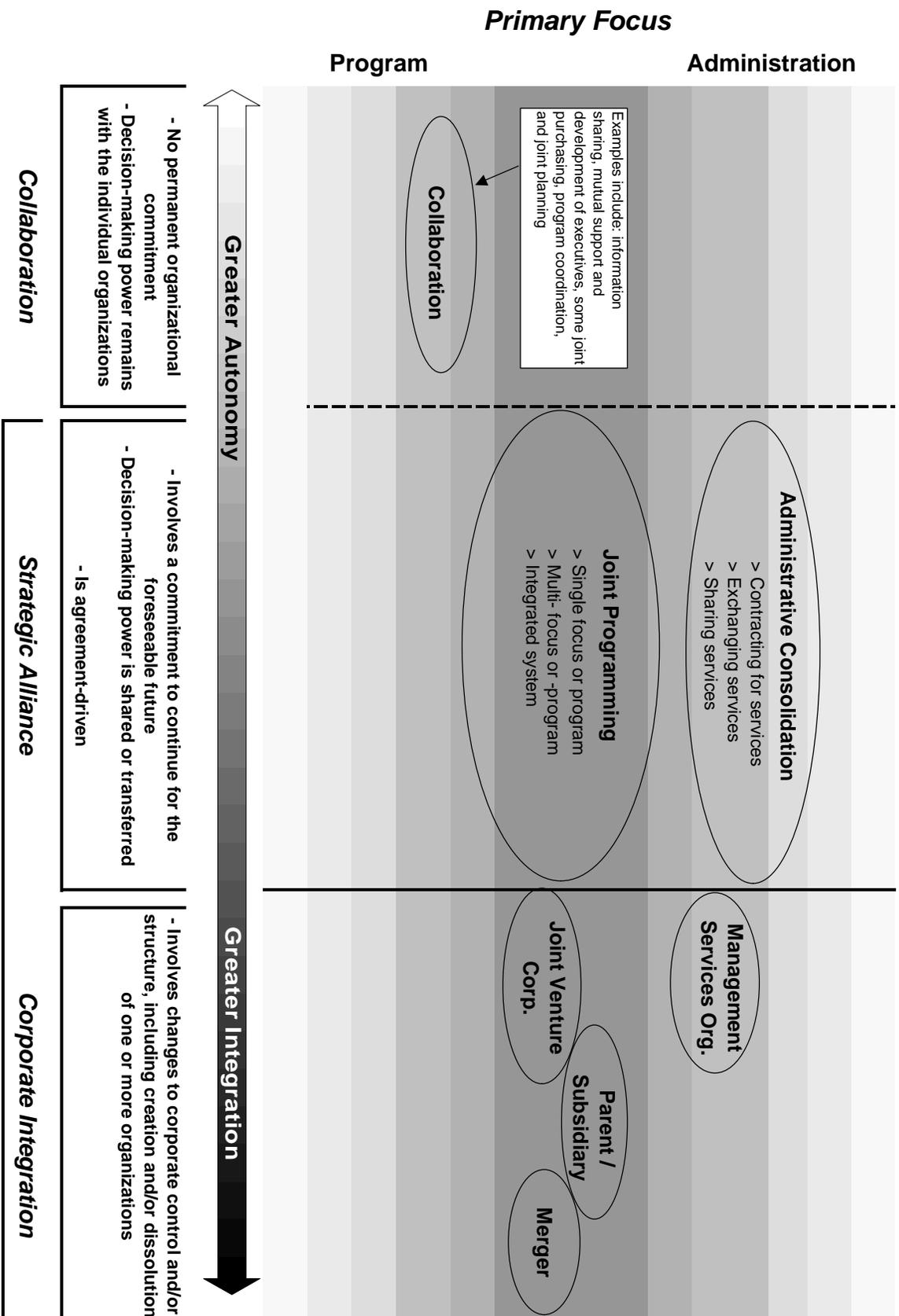
Example: Union Project windows

Creates an easier entrée for larger businesses or funding

Current Partnerships

Project	Organization(s) Involved	History	What's working well	What's not	How can our mission be advanced more through the partnership?

The Partnership Matrix



The Partnership Matrix*

Strategic restructuring occurs when two or more independent organizations establish an ongoing relationship to increase the administrative efficiency and/or further the programmatic mission of one or more of the participating organizations through shared, transferred, or combined services, resources, or programs. Strategic restructuring ranges from jointly managed programs and consolidated administrative functions to full-scale mergers.

Alliance

An alliance is a strategic restructuring that includes a commitment to continue, for the foreseeable future, shared or transferred decision-making power and some type of formal agreement. However, it does not involve any change to the corporate structure of the participating organizations.

- An **administrative consolidation** is a restructuring that includes the sharing, exchanging, or contracting of administrative functions to increase the administrative efficiency of one or more of the organizations.
- A **joint programming** is a restructuring that includes the joint launching and managing of one or more programs to further the programmatic mission of the participating organizations.

Integration

An integration is a strategic restructuring that includes changes to corporate control and/or structure, including the creation and/or dissolution of one or more organizations.

- A **management service organization (MSO)** is an integration that includes the creation of a new organization in order to integrate administrative functions, and thus to increase the administrative efficiency of participating organizations.
- A **joint venture corporation** is an integration that includes the creation of a new organization to further a specific administrative or programmatic end of two or more organizations. Partner organizations share governance of the new organization.
- A **parent-subsidiary** structure is an integration that integrates some administrative functions and programmatic services. The goal is to increase the administrative efficiency and program quality of one or more organizations through the creation of a new organization(s) or designation of an existing organization(s) (parent) to oversee administrative functions and programmatic services of other organization(s) (subsidiary). Although the visibility and identity of the original organizations often remain intact in a parent-subsidiary relationship, some organizations involved in such restructurings consolidate to the point where they look and function much like a merged organization.
- A **merger** is an integration that includes the integration of all programmatic and administrative functions to increase the administrative efficiency and program quality of one or more organizations. Mergers occur when one or more organizations dissolve and become part of another organization's structure. The surviving organization may keep or change its name. A merger also occurs when two or more organizations dissolve and establish a new structure that includes some or all of the resources and programs of the original organizations.

*Taken from "Strategic Restructuring: Findings from a Study of Integrations and Alliances Among Nonprofit Social Service and Cultural Organizations in the United States" by Amelia Kohm, et al., June 2000.

New Partnerships

Goal <i>How can our mission be advanced more through the partnership?</i>	Type of Organization/ Specific Org.	How would our partner benefit?	Win		How can our mission be advanced more through the partnership?

Cooperation, Coordination, Collaboration Compared

Cooperation

- Primarily focused on sharing information and increase awareness.
- Often a one-time event or low long-term commitment.
- Authority is retained by individual organizations.

Example:

A group of training providers share information about dates and subject matter of training. They may co-sponsor or divide tasks.

Human service agencies have better understanding of where and how to refer clients

Example:

After-school program uses efforts from literacy organization, sports recreation group, and computer training programs to provide a holistic approach at the community center.

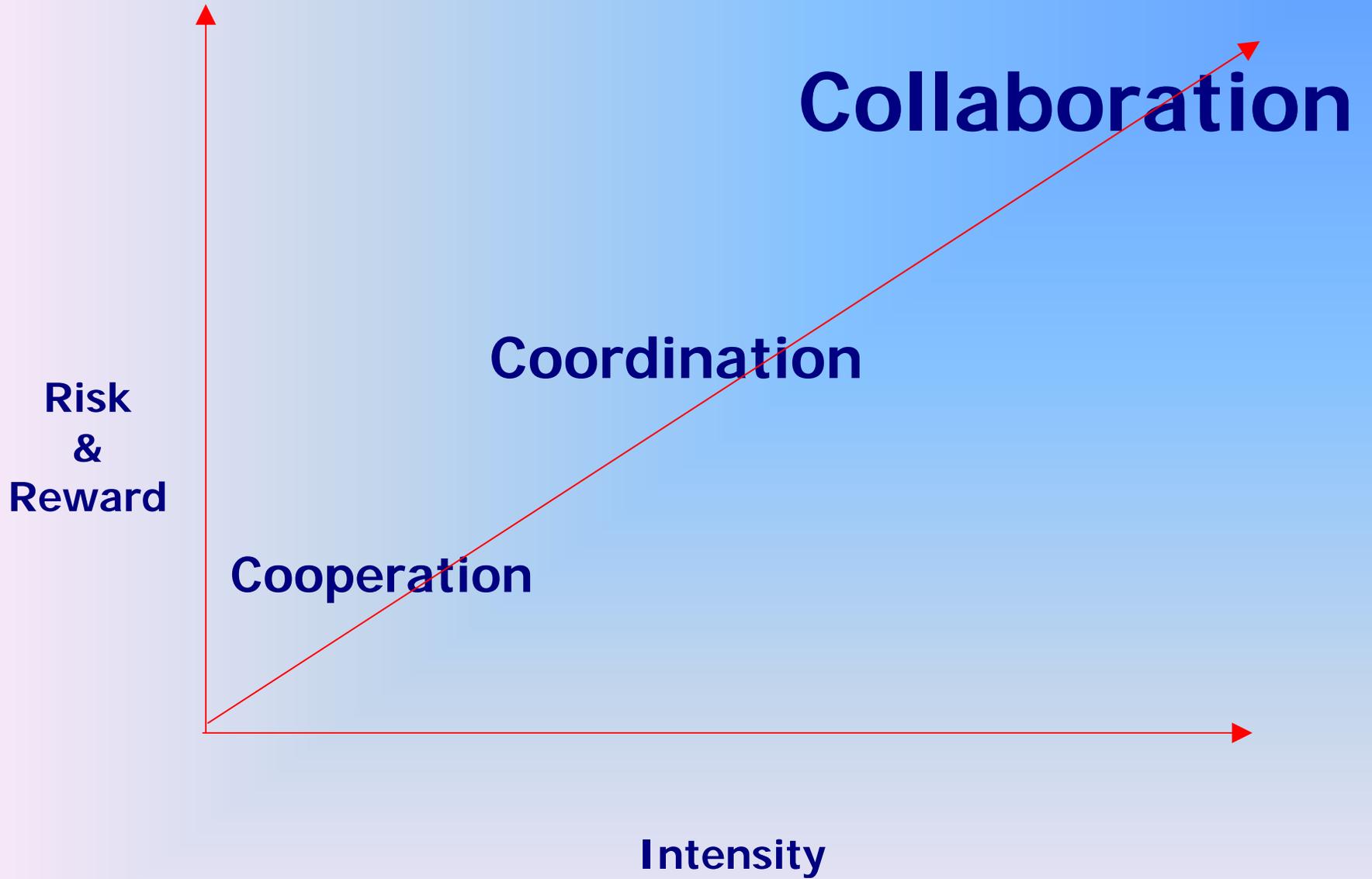
Coordination

- Requires some planning and division of roles
- Focused around specific effort or program
- Single level of organization is involved

Collaboration

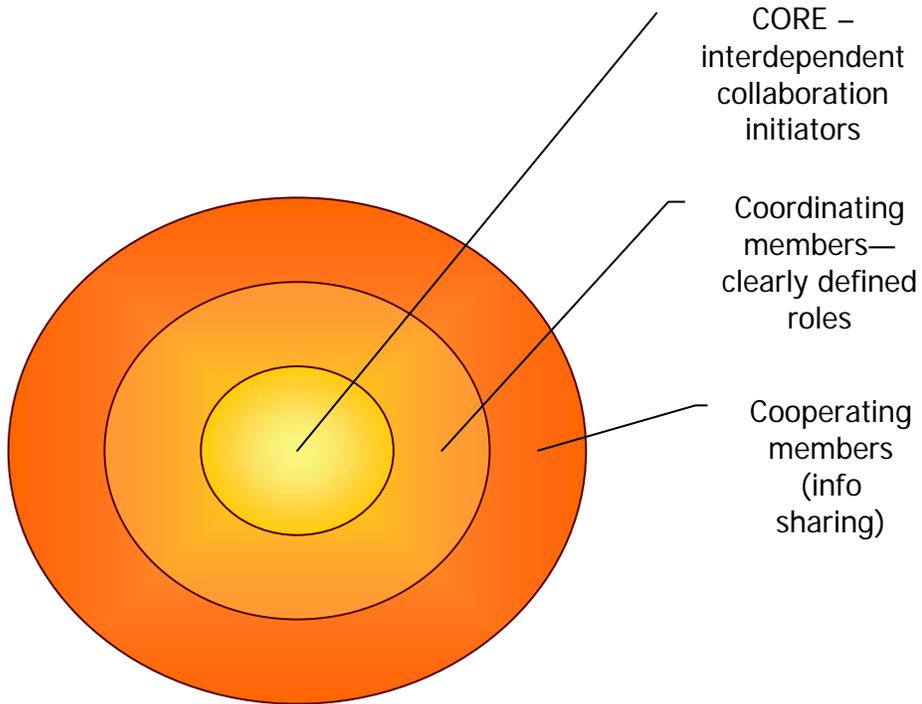
- Partners pool or jointly secure resources and share the results and rewards
- Affects multiple levels of the organization (i.e. program staff, administration & boards)
- Changes the standard operating procedures
- Usually takes 3-5 years to see demonstrable results in outcomes.

Example: Organizations providing homeless services work together to create new system for helping homeless persons all the way from outreach to permanent housing. May involve new system-wide intake processes, data collection forms, re-alignment of services offered, community wide goals & outcomes, etc.



Membership Ring

All of the parties are involved at a different level of intensity.



Benefits Worksheet

Areas for partnering	Specific benefits our nonprofit seeks
Resources: (May eliminate duplication or increase usage)	
Enhanced program services	
Expanded services or geography	
Increased Knowledge or information	
Increased Revenue	
Access to human capital—volunteers, board members, etc.	
Shared staff resources	
Facilities	
Goods	
Power & Recognition:	
Issue awareness	
Visibility	
Relationships	
Experts – technology, financial, research, legal etc.	
Access to new groups & people:	
Other	

Adapted from Meeting the Collaboration Challenge; Leader to Leader Foundation

Category

Nonprofit's Asset

Powerful mission: A compelling and compatible purpose

Strong presence: a well-known name, credibility, excellent reputation, attractive logo

Access to potential customers or markets: for recruitment, expanding geographical base

Extensive communication or distribution systems

Organizational expertise: in job training, childcare, research, etc

Programs and projects: arts programs, health services, environmental education, and so forth

Volunteer opportunities: individual and team, short- term and long-term

Ability to provide recognition, endorsement, or awards

Access to potential employees

Well-known respected leaders or spokespersons

Access to community leaders and influential people or organizations

Staff and volunteer skills and expertise

Fundraising and financial capacity

Facilities or equipment

Products for use as incentives or giveaways: books, information pamphlets, museum replicas, and so forth

Other

3 R's of Good Collaboratives

1. Results oriented

- Is it clear what outcomes the collaboration will achieve?
- Do partners understand how their organization will benefit?
- A clear definition of results creates the common ground and agenda for the group
- Define measurable results (both intermediate and long-term)
- Each partner has identified self-interests for involvement in the group.
- Partners are willing to contribute something to achieve these goals
- Single result shouldn't be increased income—built to fail

2. Relationships that are deft

- Have they built in ways to build and sustain relationships between organizations?
- Are roles clearly defined?
- Do members trust & respect each other?
- Be as creative as possible in maximizing mutual gain
- Outline role of leaders, process for incorporating new members
- As trust is built, new possibilities for mutual benefit emerge
- Processes promote openness and accountability
- Initiative has a champion—someone who lends credibility and clout

3. Resilient structures

- Do they have strategies for decision-making, clear accountability patterns?
- Each board of directors has signed a letter of agreement supporting the collaborative.
- Governance agreement outlines goals, roles, decision making processes, structure, communication protocol, etc.
- Evaluation & feedback loops are built in

The Four Rules of Collaboration

1. The scope of the project is clearly defined

What exactly do you want to accomplish together? As specifically as possible, describe the activities and standards by which you will measure both activities and outcomes. What results do you seek?

2. Each partner knows how the collaboration will advance the interests of its organization and clients.

Beyond the common goals, what does each party want? Community organizers know that to make a coalition work, self-interest plays a critical role. Whatever the personal goals are of individual leaders or specific interests of individual organizations, it helps to be honest about them so that no important agendas remain "hidden." In addition to discussing what each party wants, it may also be important to address each party's fears and concerns.

3. Roles and responsibilities have been defined; mechanisms for communication and joint accountability are in place.

What can each party give? Beyond "who will do what by when"? How will you hold yourselves accountable? Regular meetings, financial incentives/penalties related to performance?

4. The relationship "works:" there is enough trust and respect among the key players to support the level of risk and interdependence involved in the project.

The most difficult aspect of collaborations, and the least concrete, is the relationship between the partners. A low intensity project such as sharing information on service schedules does not involve "high stakes" and therefore requires less trust between partners. However, in a joint service contract the level of trust and the respect between partners is the intangible element that will either make or break the project—no contract can spell out every possible eventuality. Are we able to communicate effectively? Are the right people involved? Can the relationship among the participants support the kind of honest talk and genuine listening required to work together successfully?

The Collaboration Challenge

Seven C's of Strategic Collaboration

Connection with Purpose and People

- To what extent are individuals personally and emotionally connected to the social purpose of the collaboration?
- Have individuals been able to touch, feel, and see the social value of the collaboration?
- What level and what quality of interaction exist among senior leaders?
- To what extent do personal connections and interactions occur at other levels across the partnering organizations?
- How strong are interpersonal bonds?

Clarity of Purpose

- What is the purpose of the collaboration?
- Do both partners have written collaboration purpose statements?
- Has each partner determined the different functions and relative importance of the partnerships already existing in its collaboration portfolio?

Congruency of mission, strategy, and values

- How well does each partner understand the other 's business?
- What are the missions, strategies, and values of each partner?
- What are the areas of current and potential overlap?
- How can each partner help the other accomplish its mission?
- To what extent is the collaboration a strategic tool for each partner?
- Have the partners engaged in shared visioning about the future?

Creation of Value

- What resources of each partner are of value to the other?
- What specific benefits will accrue to each partner from the collaboration?
- Do benefits outweigh costs and risks?
- What social value can be generated by the alliance?
- What new resources, capabilities, and benefits can be created by the collaboration?
- Are resource and capability transfer two-way?
- Are benefits equitably balanced between the partners?
- Has the value exchange and creation depreciated? If so, to what extent?
- Is it time to end the collaboration?

Communication Between Partners

- What level of respect and trust exists between the partners?
- Is communication open and frank, and is critical communication constructive?
- How is communication between the partners managed?
- Does each partner have a partner relationship manager?
- What channels and vehicles are used to communicate internally?
- Are there potential dissenters, and can they be converted?
- How does the alliance communicate externally?
- Do the partners have a coordinated external communication strategy and program?
- Is the partnership underpublicized?

Continual Learning

- What has each partner learned from the collaboration about how to work with another organization more effectively and create greater partner and social value?
- How has this learning been incorporated into the collaboration?
- Is there a process for routinely assessing learning from the collaboration?
- Is complacency stifling innovation?

Commitment to the Partnership

- What is the level of organizational commitment to the partnership, and how is this commitment demonstrated?
- What is the trend in investments (personal, financial, institutional) in the partnership?
- Are the partners' expectations of one another high?
- What is the composition of each partner's collaboration portfolio, and where does this alliance fit within those portfolios?
- Are the portfolios consistent with the partners' collaboration capacities?

Adapted from the Collaboration Challenge: How nonprofits and businesses Succeed Through Strategic Alliances by James Austin, Jossey-Bass, 2000

It's About Power

The reason groups collaborate is to increase their collective "power"—their ability to get things done. Yet this is also one of the most difficult areas in which to find and maintain balance. (One therapist, when asked what couples fight about, said "Money, sex and power... but mostly it's about power.")

In most collaborations there is an imbalance of power. One agency is simply bigger, stronger, has more money or more political clout, or appears to stand on higher moral ground. The negotiation tips will help with power imbalances, but we include a few more thoughts on this difficult area.

What's the right approach to this imbalance of power? First, let's talk about the *wrong* approach. It would be a mistake to pretend that the imbalance doesn't exist. It would also be a mistake to insist on making power equal (one collaborative effort between two AIDS agencies broke down when one insisted on waiting until its cash reserve was equal to the other's). And, at the same time, it would be a mistake to let the power relationship dominate the collaborative relationship. Below are some thoughts for the smaller agency with fewer resources, as well as some thoughts for the bigger, stronger agency.

A SPECIAL NOTE FOR THE SMALLER AGENCY IN A COLLABORATION:

It's tough, isn't it? In a collaboration with a bigger agency, it's easy to feel aggravated by their greater resources, threatened by having a weaker negotiating position, and irritated by the way they make assumptions about how things are going to get done. It's tough to do the same kind of homework a project requires, but with fewer resources. It's especially tough to know whether you're making too much of a small thing, or whether you're being taken advantage of, or whether they are really as committed to the project as you are.

When they say, "We'll handle the money; we're already set up to do it," are they just making a helpful offer or will they end up being in charge of everything as a result? Is it okay for them to send their program director to the collaborative meetings when you send your executive director?

Regardless of the motives that bring the larger agency into the collaboration, try to stay clear about your own. Maybe the other agency is a large, mainstream AIDS agency that you suspect wants to collaborate with you mainly to increase their minority service statistics. Consider the following principles for your "stance" in the relationship:

- a. **Be straightforward about your objectives.** If you want to do program work as a subcontractor, make an arrangement that reflects this. If you want to share responsibility for fiscal management, or if you want to gain experience in this area, say so.
- b. **Keep your eyes on your own objectives.** If your objective is to get more resources to your clients as a result of collaborating with the larger agency, *that's* the measurer of whether the collaboration is worthwhile. Maybe the other agency is a large, multi-service community center, without the deep commitment to AIDS that you consider fundamental. Keep your eyes on what brings *you* to the collaboration: perhaps easier access to other social services for your clients, and perhaps, over the long term, the opportunity to educate the leadership of the community center about AIDS, sexual diversity, or other matters.

- c. **Don't forget what you bring to the table.** Don't for a minute forget what *you* bring to the collaboration. Often, a smaller agency has access to a particular population, or staff and board members with particular expertise and backgrounds. Just because a larger agency may be more developed in some ways does not mean that your contribution to a particular project is not just as valuable and critical to the success of the effort.
- d. **Learn.** Make it a priority to find opportunities to learn from the other agency, whether about client needs of an unfamiliar population, a different way for a workteam to work together, or how individuals maintain their personal commitments to the work.

A SPECIAL NOTE TO THE LARGER, STRONGER AGENCY:

It's tough, isn't it? Sometimes it feels as if *you're* doing all the work, and they're "just along for the ride." Of course, you realize that you have more resources, but sometimes it seems as if they are simply disorganized. They seem to get hung up over little things, like who's going to pay for some small, up-front expenses. They assume that just because you're big, you have no financial worries. And sometimes they seem to have a "more politically correct than thou" attitude, when your commitment to clients is just as deep and just as strong.

At the same time, you are in this collaborative arrangement for a reason: to expand services to the community, to broaden fundraising opportunities, to learn. Consider the following principles for your "stance" in the relationship:

- a. **Be straightforward about your objectives.** If one of your goals is to include minority representation to be more competitive for funding or political influence, say so. Similarly, if you are only looking for a limited partnership, perhaps one program or initiative, make those limitations clear. It is far better to start small and build than it is to build up expectations in a partner and then pull back.
- b. **Be generous with money.** A given dollar figure, such as \$5,000, may mean much more to the other agency than to yours. It may actually cost you more to do a certain task than it does them (perhaps because your salaries or overhead are higher), but consider allocating joint funds at the same rate. Establishing a long term strategic relationship with the smaller agency may even be worth "losing,"—*investing*—money in the collaboration.
- c. **Be generous with your time, expertise, and verbal support.** Not only will it help the collaborative project, but the individuals at the other agency will grow professionally and be able to contribute more at their current *and* future jobs towards fighting the epidemic.
- d. **Learn.** Make it a priority to find opportunities to learn from the other agency, whether about client needs of an unfamiliar population, a different way for a workteam to work together, or how individuals maintain their personal commitments to the work.

Remember: partnerships work best when both agencies are strong. Our communities need both big and small agencies, both general and population-specific services, both direct services to people with HIV *and* prevention work, both anonymous and intimate settings. Because you're bigger, you have a greater responsibility towards building the partnerships that will serve our communities. Don't let yourselves be exploited—you'll only end up resentful—but consider what role you can play and what investment you can afford to make.



VOICE OF EXPERIENCE: "BE PREPARED FOR A CLASH OF CORPORATE CULTURES"

Papa Ola Lokahi is a statewide organization in Hawaii which focuses on a wide range of service needs for its native Hawaiian clients. In the past few years Papa Ola Lokahi has initiated a number of collaborative relationships with other service providers, including established AIDS service organizations.

Pua Aiu, the Research Officer and director of POL's AIDS Case Management Project, says that differences in corporate cultures have made collaboration challenging.

"We have done focus groups with our clients and found that they don't feel really comfortable in an environment (at the other organizations) which has historically had a white, gay male focus. But it's a matter of all of us making adjustments so clients can get the best services possible. Our clients understand this too.

Still, she says "this is the best route because AIDS clients need a lot of services; we could have gone with our own office but (the other organizations) are already set up, have access to a wide range of services and have better staff support. In the long run, the benefits far outweigh the costs.

But that isn't the only reason Pua pursues these collaborations. "I have a problem with all these small minority organizations. It is important for the majority culture to begin to change. My goal is to see their management turn a different color."

As for advice to other collaborators, Pua says "Push for what is best for clients, you need to understand up front exactly what you're going to do and expect that corporate cultures will clash. I don't take things for granted and I don't take things personally. In fact, I like all of the people we do collaborations with, but like family, we have differences in how we should keep our house. I think we need to focus on the goal of getting clients into a place that provides the services they need. As for other service providers, if we keep being in their faces, they will change, it just takes time.

THE FUNDAMENTALS OF COLLABORATION

COLLABORATIVE FUNDRAISING

The most common forms of collaborative fundraising among HIV/AIDS service organizations are:

- **Community-wide AIDS fundraising calendar**

Collecting information about fundraising events can help agencies avoid "bunching up" events. In some cities where several agencies may be planning capital campaigns for buildings, information sharing can help them avoid having too many solicitations to the same few individuals at the same time.

 **Idea** Find one person, such as someone in the County AIDS Office, or an AIDS agency development director, who will collect calendar information and fax it monthly to everyone.

- **Joint special events**

Some special events are coordinated and managed by a collaborative committee, where "member" agencies contribute time and resources towards making the event a success, and from which funds raised are distributed to member agencies.

 **Idea** Draft and sign an MOU (see section on MOUs) that clearly assigns responsibilities to the various agencies, and establishes the rules for how funds will be distributed.

- **Joint submission of grant proposals**

Collaborative projects often have a first phase of collaborative submission of grant proposals to foundations and corporations for joint or collaborative projects.

 **Idea** Consider sending the proposals on paper without a letterhead, accompanied by letters of support from the collaborative members, each on their own letterhead.

- **Collaboration/partnership with a business, such as a local restaurant or retailer to put on a fundraising event**

 **Idea** Send a confirming letter to the business, stating the agreement as you understand it, including responsibilities for costs of the event, who will plan the program, and how funds will be collected and distributed. Make it easy for the business to work with you, so they'll look forward to repeating the event.

- **Partnerships through an intermediary fundraising organization, such as an AIDS Walk, bike-athon event, or other fundraiser**

 **Idea** Groups such as these may begin as one-time partnerships, but can grow into major, ongoing fundraising organizations. Make a strategic choice about developing such a group or just staying in touch.

Checklist for Co-location

Administrative

1. What will the relationship be between entities, their boards, their staff, etc.? Who will be responsible for what?
2. Who holds lease?
3. How will office equipment be shared? How will we track costs? Will the existing equipment be able to handle increased volume? What additional equipment will we need?
4. Which supplies will be shared? What are the purchasing and tracking procedures?
5. What are all the costs for the space – especially hidden costs like cleaning, alarm systems, etc; and how will they be shared?

Process/Outcome

6. What is the purpose of the co-location?
7. What is the intent for year 1? Year 2? Beyond?
8. Are there possibilities for shared staffing?
9. How do you envision daily operations occurring?
10. How will you know when you are successful?
11. (What will you be able to demonstrate?)
12. How do you envision relating to each other and to your various governing/oversight bodies?
13. How will you deal with issues of identity?
14. How will new partners be added?
15. What succession plans are in place for the replacement of key leaders in the partner agencies?
16. How will partners disengage?
17. How will you deal with non-performance issues that impact the overall image of the initiatives?

Steps to Building a Strong Collaborative

PHASE ONE: FORMATION – RALLY THE TROOPS!

This phase should take place for 3 to 6 months, depending on timing, goals and resources. During the formation process, the primary tasks are to organize the collaborative, recruit members, establish a structure, identify goals and strategies, clarify working relationships and establish accountability mechanisms.

A. Membership Recruitment and Cultivation

- Develop membership criteria for collaboration
- Recruit members by involving strategic stakeholders and others that are essential to the collaboration's successes: develop an outreach strategy
- Identify the interests of potential members and glean common, complementary and competing interests as they emerge
- Identify what members can contribute to the collaboration and what they will get out of their involvement.

B. Define the Purpose, Goals, Strategies and Actions of the Collaborative

- Gather consensus on the mission, purpose and goals of the membership
- Define your geographic reach and population target
- Define specific goals and strategies and actions that will help to achieve the goals (i.e. specific projects, legislation, service coordination)
- Define what success looks like and how you will measure it
- Develop short term and long term goals

C. Develop the Structure and Process for the Collaborative

- Discuss and develop structure for the collaborative, including governance, committee structure, relationship of collaboration to members (i.e. is there a lead agency and what is their role), how funding will flow through the collaborative, etc.
- Establish ground rules for collaboration functioning (etiquette)
- Determine how competition and turf issues will be handled
- Develop conflict resolution approaches
- Develop participation agreements and methods of amendment
- Develop strategies for internal and external communication
- Clarify accountability issues (i.e., how decisions will be made, decisions that require approval from everyone, what can be done in the name of the collaborative)
- Develop roles and responsibilities for each member

D. Develop Staff Functions and Resources for effective collaboratives (if there will be staff)

- Define roles of staff versus roles of members
- Develop process for accountability for staff: hiring, supervision, evaluation
- Determine role staff will play: coordinator/organizer; planner, evaluator, or administrative assistant/secretary
- Develop a list of priorities for staff
- Develop support resources for collaborative, including computers and other office equipment, supplies, etc.

PHASE TWO: IMPLEMENTATION – DO SOMETHING IMPORTANT!

The focus here is on developing internal working relationships and operations among collaborative members, maintaining linkages between member organizations and the collaborative and making progress toward achieving the product or goals through sound programming, strategies and administration/management, staffing and funding.

Product Oriented Tasks:

A. Create an Action Plan

- Develop and implement methods to create your action plan, including using interviews, surveys, focus groups, and statistical research to further define goals and identify strategies to address needs you identify
- Include specific goals you want to accomplish, with specific strategies and projects
- Include tasks, assignment/responsibilities, a budget and deadlines in the plan
- Determine how work will progress and be evaluated

B. Implement Action Plan and Launch Projects

- Implement the projects and ideas you developed in your plan
- Engage collaborative members and important stakeholders
- Communicate with all appropriate people about the implementation

C. Produce preliminary results and Analyze Progress to Determine Next Steps

- View evaluation as reflective
- Integrate evaluation into the work
- Tailor evaluation to the stage of collaboration and the specific projects
- Use multiple methods of evaluation
- Evaluate results of the project (tasks), as well as the process
- Appreciate failure
- Use results to determine next steps, including results on effectiveness, adequacy, efficiency and lessons learned

Process Oriented Tasks:

- A. Establish a committee structure**
 - Develop strong interagency communication and decision making processes
 - Determine committees to implement strategies and action plan

- B. Cultivate resources and activities for collaboration members**
 - Identify resources to support the effort
 - Determine organizational needs (i.e. tax exempt status, if relevant, funding proposals, additional members, etc.)
 - Develop and cultivate leadership skills of members
 - Develop specific activities for members to do in implementing the project

- C. If there is funding, recruit and hire staff**
 - Develop working and supervision arrangements, mutual accountability
 - Develop work plan for staff and evaluate progress

PHASE THREE: MAINTENANCE – KEEP IT GOING!

Create a positive climate for accomplishing the group's tasks, sustain partnerships by maintaining operations and keeping membership involved and mobilized, build consensus and manage conflict, keep outside supporters involved and informed, develop ongoing leadership and consciousness raising/education campaigns with members and the community.

- A. Continue with the work of the collaboration**
 - Continue to implement plans and keep projects moving forward
 - Create visibility: celebrate and promote results and convey an image
 - Involve the community and bring diverse interests together

- B. Keep members involved and informed**
 - Keep membership growing and informed
 - Hold regular meetings or special events
 - Promote adaptability and flexibility

- C. Re-approve or Alter goals, activities and strategies according to progress**
 - Assess changes and accomplishments
 - Review goals and processes, if needed.
 - Build on past successes to move toward new goals and activities

- D. Evaluate membership: replace members or recruit additional people**
 - Replenish and/or expand membership
 - Retire appropriate members
 - Add new members
 - Continue to build leadership

PHASE FOUR: TERMINATION – MOVE ON TO THE NEXT ADVENTURE!

A collaborative may accomplish its goals, complete their projects or achieve their overall objectives. In this case, they need to decide whether to disband or transform the effort into something else.

A. Evaluate if goals have been reached and if so decide on future

- A formal ending to an existing collaborative is critical for several reasons: people change, relationships change, organizations may not change, friendships are formed, endings must be marked
- Every collaborative needs to evaluate what they've accomplished versus their overall goals and determine if there is a need and if there is motivation and support to continue or if they could advance the agenda further by ending and/or transforming
- It's important to create ending rituals to celebrate the end of the collaborative

B. Options for future:

- Disband and become another permanent organization
- Become dormant with lasting networks that can be resurrected
- Reconstitute the collaboration under new leadership or with a different purpose

Sources: *The Collaboration Handbook and How to Create and Maintain Interorganizational Collaboration and Coalitions*

Joint Agreement

Purpose:

Desired Goals:

Resources needed:

How will we know we've been successful?

An annual operating plan should be written so that each organization understands what role it needs to play in the partnership. Clarity of roles and responsibilities is key to following through. Following through is key to building trust. Trust is key to partnerships.

Each organization should have their board/Executive Director/CEO answer the following questions:

- What does your board want as a result from the partnership?—what do you need from this?
- Who is the person at each level that will be involved?
- What resources are you willing to commit?

Building a Partnership

What is it that our nonprofit could most benefit from:

Area:	How specifically & with whom	Ideas for implementation
Shared staff		
Shared technology		
Shared office		
Fund raisers		
Project implementation		
Media attention		
Advocacy		
Other		

What results would we be pleased with?

Keep this vision central to your work with your partners.

Ensure that the self-interest or Win-Win from each organization is clearly understood. (Sometimes an outside person has to help people see what's in it for them.)

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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “Agreement”), made as of January 24, 2007, is by and between Alle-Kiski HOPE Center (“HOPE Center”), a Pennsylvania nonprofit corporation, with its principal place of business at P.O. Box 67, Tarentum, PA 15084, Crisis Center North (“CCN”), a Pennsylvania nonprofit corporation, with its principal place of business at P.O. Box 101093, Pittsburgh, PA 15237, Center for Victims of Violence and Crime (“CVVC”), a Pennsylvania nonprofit corporation, with its principal place of business at 900 Fifth Ave, Pittsburgh, PA 15219, Pittsburgh Action Against Rape (“PAAR”), a Pennsylvania nonprofit corporation, with its principal place of business at 81 South 19th Street, Pittsburgh, Pennsylvania 15203, Womansplace, a Pennsylvania nonprofit corporation, with its principal place of business at P.O. Box 216, McKeesport, PA 15134 and Women’s Center & Shelter of Greater Pittsburgh (“WC&S”), a Pennsylvania nonprofit corporation, with its principal place of business at P.O. Box 9024, Pittsburgh, PA 15224..

WITNESSETH:

WHEREAS, HOPE Center, CCN, CVVC, PAAR, Womansplace and WC&S (the “Partners”) receive Victim of Crimes Act (VOCA) funding, adhere to the program standards of their respective coalitions and undergo monitoring to assure effective delivery of program services throughout Allegheny County; and

DRAFT

WHEREAS, all Partners are interested in collaborating for the purposes of creating a walk to raise awareness and generate funds.

THEREFORE all partners agree as follows:

RELATIONSHIP AND INTENTION OF THE PARTIES

1.1 Purpose. The purpose of this Agreement is to establish a collaborative walk know as the SAVE Walk (“Walk”). The purpose of the Walk is to raise public awareness concerning the epidemic of violence and its devastating consequences in our county and to raise unrestricted funds for each of the Partners.

1.2 Engagement – HOPE Center, CCN, CVVC, PAAR, Womansplace and WC&S will assign two representatives to serve as co-chairs for the Walk. These individuals should represent two of the partner agencies. Additionally, a fiscal agent, representing one of the two co-chairs agency’s will also be assigned.

DURATION OF THE AGREEMENT

2.1 Effective Date. Upon execution by all Partners, the Agreement shall be effective as of January 24, 2007.

2.3 Term. The term of the Agreement shall be from the date hereof through December 31, 2007.

OBLIGATIONS OF CO-CHAIRS AND FISCAL AGENT

3.1 Duties - Co-chairs of the Walk agree to coordinate the planning committee meetings; provide notice and minutes of meetings; and provide a post walk summary of number of participants, sponsors and expenses. The fiscal agent of the Walk agrees to collect registrations and fees; collect, record and acknowledge sponsorship

DRAFT

payments; pay invoices; and distribute funds to the Walk Partners upon payment of all bills.

3.2 – Accounting – The agency represented by the fiscal agent will account for funds as a pass through. For the purposes of reporting, this agency will not count or claim walk registrants or sponsors as donors to their agency.

ARTICLE IV

OBLIGATIONS OF WALK PARTNERS

4.1 Duties - As partner agencies in the walk, each Partner agrees to:

1. Assign at least two people to serve on the Walk committee
2. Promptly replace staff assigned to the committee who fail to attend planning meeting, or resign from employment of the agency
3. Provide leads and follow up for sponsor and or walk participants
4. Actively promote the Walk to various stakeholders within service area
5. Provide five volunteers and/or staff on the day of the Walk to assist with setup, registration, clean up or other functions as needed
6. Refrain from using information gained during the collaboration for individual agency gain. No individuals or corporate contacts acquired for support of the walk will be solicited by any of the individual Partners unless that relationship preceded the Walk affiliation.

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7. Attain at least one level sponsorship. Levels are defined on the corporate sponsorship solicitation letter.
8. Recruit at least 20 registered walkers

TERMINATION

5.1 Time. This Agreement may be terminated by any of the Partners with 30 days written notice.

MODIFICATION AND AMENDMENT

6.1 This Agreement may be adjusted from time to time upon the mutual written consent of all Partners without requiring amendment of the entire Agreement. The amendment shall be attached to the original of this Agreement.

6.2 Severability. If any portion of this Agreement shall be held to be void, invalid or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

6.3 Notice. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be personally delivered by hand with receipt obtained, or sent by registered or certified United States Mail, return receipt requested, addressed as follows:

IF TO PAAR:

Executive Director
81 South 19th Street
Pittsburgh, PA 15203

DRAFT

IF TO WOMANSPLACE:

Executive Director
P.O. Box 216
McKeesport, PA 15134

IF TO WOMEN’S CENTER & SHELTER OF GREATER PITTSBURGH:

Executive Director
P.O. Box 9024
Pittsburgh, PA 15224

IF TO CRISIS CENTER NORTH:

Executive Director
P.O. Box 101093
Pittsburgh, PA 15237

IF TO ALLE-KISKI HOPE CENTER, INC.:

Executive Director
P.O. Box 67
Tarentum, PA 15084

IF TO THE CENTER FOR VICTIMS OF VIOLENCE & CRIME:

Executive Director
900 Fifth Avenue
Pittsburgh, PA 15219

AGREED AND ACCEPTED

PITTSBURGH ACTION AGAINST RAPE

By: _____ Date: _____

WOMANSPLACE

By: _____ Date: _____

WOMEN’S CENTER & SHELTER OF GREATER PITTSBURGH

By: _____ Date: _____

CRISIS CENTER NORTH

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By: _____ Date: _____

ALLE-KISKI HOPE CENTER, INC.

By: _____ Date: _____

THE CENTER OF VICTIMS OF VIOLENCE & CRIME (CVVC)

By: _____ Date: _____

**The 13th. Annual Connellsville
Yough River Trail Fall Foliage Ride
October 21, 2007
1:00 P.M.**

**Registration & Packet Pick-up at
12:00 Noon.**



- *Bike the Yough River Trail*
- *Family Picnic begins at 3:00 P.M. at Yough River Park.*
- *This Event Is Not A Race!!*
- *Participants can bike as much as they wish of The Yough River Trail toward Ohioptyle or West Newton, as All return to the Park, for the Picnic held afterward.*



The family picnic is provided to you by Janet and George Pushkar, the Lions Club of Connellsville and the Yough River Trail Council.

All Children, ages 12 and under are required by law to wear helmets when riding a bike. The Connellsville YRTC strongly encourages ALL participants to wear helmets when biking. The signature of a parent or a guardian is required for all under the age of 18 years old. ALL participants are required to sign the release form on the back of this brochure.

**Questions?
Call 724-
628-5500**



Proceeds benefit
Lion's Square and
the YRTC.

REGISTRATION FORM

Name _____
Address _____
City _____
State _____ Zip _____
Phone: _____

Evnton, P 115089

Registration Fee:

Before October 18th. — \$15.00
After October 18th. — \$18.00
Includes: Family picnic, raffle ticket.

T-Shirt Size (check size):

- Child Large - _____
Adult Medium - _____
Adult Large - _____
Adult X-Large - _____

T-shirts guaranteed to pre-registered riders only

For more information, call the Chamber/Yough River Trail Office at (724) 628-5500.
13th..Annual Connellsville YRT Fall Foliage Rid
- October 21, 2007

Make checks payable & mail to:
The Yough River Trail Council
P.O. Box 988, Connellsville, PA 15425

13th. Annual Connellsville YRT Fall Foliage Ride - October 21, 2007

RELEASE & ASSUMPTION OF RISK

In signing this release, I acknowledge that I understand its intent, and for myself, my heirs, executors, administrators and representatives, do hereby agree and will absolve and hold harmless the Yough River Trail Council, Ohioyle State Park Service, corporate sponsors, cooperating organizations and other parties connected with the event in any way together with their respective successors and assignees, singly and collectively, from and against any blame and liability for any injury, harm, loss, inconvenience, or any damage of any kind whatsoever, which may result from or be connected in any way to my participation in the 13th. Annual Connellsville YRT Fall Foliage Ride.

I hereby consent to and permit emergency treatment in the event of injury or illness while participating in the event. I will observe all event rules and will conduct myself in a safe manner while participating in this event.

Parent Must Sign if Under Age 18!

I certify that I have read this waiver and understand its significance.

Signature _____

Date _____

The Yough River Trail Council
P.O. Box 988
Connellsville, PA 15425



13th.

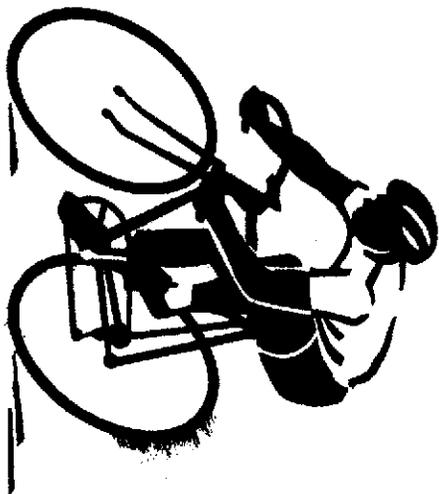
Annual

Connellsville

YRT

Fall Foliage Ride

October 21, 2007



Partnership Opportunity

1. Partnership Concept

- ABC nonprofit is committed to both its mission and to building mutually beneficial relationships with the business community. Both are necessary to ensure the long term viability of our organization
- Through careful analysis, our Board of Directors has identified your company as a potential partner for ABC

2. Potential Benefit

- ABC believes we can create value for XYZ Corp. by increasing sales, building employee morale, increasing visibility and perception in the community, etc.

3. About Our Mission

ABC Nonprofit:

4. Partnership Description

5. Expectations

- We hope this relationship will be one of reciprocity. To achieve this there should be a willingness to communicate openly, to develop incentive systems to encourage the building of our partnership, commitment to learning together, and deep personal relationships across organizations. We will visibly champion your company and the partnership.

Benefits of Partnering for Corporations

Strategy Enrichment

"Builds a virtuous circle"

- Strong corporate social performance resulted in a "virtuous circle," both benefiting from and contributing to strong financial performance.
- Corporate strategy can be significantly enriched by incorporating meaningful community engagement through collaboration with nonprofits.
- Develops positive and trusted image with customers, potential customers, regulators, community groups, & legislators.
- Moves community involvement from "nice to do" to "need to do" as a core business strategy.

Human Resource Management

Community service programs:

- Help companies attract better employees *
- Build employee motivation and morale⁺
- Build loyalty and retention
- Broaden employees perspectives of people of diverse backgrounds
- Enhance core capabilities such as planning, teamwork, and collaborative leadership
- Illuminate each employee's capabilities, values & attitudes

* 90% of managers agreed in a Conference Board survey of 434 companies.

+ Morale was three times higher in firms heavily involved in their community (out of 188 companies surveyed. 1992)

Business Generation

"Doing good is good business"

- Enhances reputation → builds goodwill → expands networks, relationships and markets → increases access to key consumer groups.
- Provides arena to test innovations or launch new products
- Increased sales through access to new customers

Culture Building

"Community involvement is the central force that shapes and reinforces the core values vital to success"

- Builds caring organizational culture
- Fosters a service-oriented mentality
- Creates cohesion through common values
- Celebrates high-involvement and high-impact leadership by reinforcing active engagement in making a difference
- Serves as organizational glue—especially in crisis
- Serves as a compatibility checkpoint for evaluating potential business partners

Summarized from the Collaboration Challenge, by James E. Austin and the Leader to Leader Foundation, 2000. Jossey-Bass.

The Department of Environmental Protection funded this project through a Growing Greener grant and the views expressed herein are those of the authors and do not necessarily reflect the views of the department or the Commonwealth of Pennsylvania.