

NewLevel Group, LLC

Building Sustainability for Nonprofit Organizations

Community Foundation of Jackson Hole



NEWLEVEL
G R O U P

Take The Next Step

Table of Contents

Welcome	4
Learning Objectives	5
The 5 Elements of Sustainability	6
Organizational Sustainability Assessment	8
<i>Sustainability Element: Clear & Compelling Vision</i>	11
Defining Your Organization's Culture.....	12
Practical Thinking for Aligning Your Organization.....	13
Vision & Mission Examples.....	14
Focus.....	16
<i>Sustainability Element: Passionate & Engaged Board.....</i>	17
Governance in Your Organization.....	18
Characteristics of Effective Board-Staff Partnerships	20
Guiding Governance.....	22
How Your Board Can Govern More and Manage Less.....	25
Resource Materials.....	26
What Does It Take?	27
Tool: Guidelines for Recruiting Board Members	28
Tool: Sample Board Member Application	30
Tool: Sample Board Member Agreement	31
Tool: Sample Board Member Job Description	33
Tool: Board Profile Assessment.....	34
Tool: Checklist for Successful Board Orientation.....	42
Tool: Board/Staff Responsibility Worksheet.....	43
Tool: Board Meeting Effectiveness	45
Tool: Sample Board Effectiveness Assessment	46
 <i>Sustainability Element: Motivated, Professional Staff.....</i>	 49

Motivation: What Does it Take?	50
Tool: Recruit Right	51
Tool: 12 Questions to Ask Staff	52
Tool: It's All about You / Es Todo de Ti.....	53
Tool: Evaluating the ED	54
<i>Sustainability Element: Communications & Marketing</i>	56
Strategic Marketing Plan Elements	57
Tool: Message Development Check List	58
Comparing Apples, Coffee, and Donuts	60
<i>Sustainability Element: Strategic Approach to Funding</i>	62
Tool: 10 Important Things to Know about Fundraising	63
Tool: Fund Development Plan	69
Tool: Strategic Funding Plan.....	70
Tool: Major Donor Campaign.....	71
Tool: Making the "Ask"	72
Next Steps	74
Recommended Reading List	75
About NewLevel Group.....	77
Footnotes.....	78

Building Sustainability for Nonprofit Organizations

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Welcome

Are You Building An Organization That Will Last?

Increasingly, funders and supporters are requiring nonprofits to demonstrate the sustainability of their efforts. But what does that mean and how is it accomplished? Identifying the elements and processes that make an organization strong and charting a clear course for implementation are the first steps.

This workshop provides an introduction to the principles of sustainability, along with practical, easy-to-implement advice and tools for developing sustainable fundraising, marketing, and leadership development programs.

Additional NewLevel Group workshops are available to help nonprofits explore each of the five elements of sustainability in greater detail with emphasis on the elements of fundraising, marketing, and leadership development.

Building a Sustainable Nonprofit Organization

***Sponsored by
Community Foundation of Jackson Hole***

January 23, 2007, 12:00 p.m. – 4:00 p.m.



Learning Objectives

- Learn the critical elements of sustainability
- Determine where your organization is on the road to sustainability by completing an organizational effectiveness assessment
- Identify strategic planning priorities by exploring areas your organization can strengthen
- Discover how other organizations are planning for their futures through interactive peer discussion
- Find answers to your questions about what sustainability means for your organization and gain practical information and tools you can put into immediate action



The 5 Elements of Sustainability

“To make the greatest impact on society requires first and foremost a great organization, not just a great program.”

– Jim Collins, *Good to Great and the Social Sectors*

While there is no one formula for building a high-performance social sector organization, there are elements and processes that effective nonprofit organizations have in common. The following is a checklist of some of those fundamental components.

Clear and Compelling Vision

Brief, well-defined vision and/or mission statement

Statement of core values

Community assessment and feedback processes

Focused approach that is not redundant with other organizations' programs

Defined measures of success

Passionate and Engaged Board of Directors

Strategic approach to board recruitment and succession

Board members are articulate advocates for the organization

Clearly defined and consistently practiced roles and responsibilities

Clear expectations and accountability for board members

Written policies and procedures

Strategic Approach to Fund Development

Strategic fundraising plan

Demonstrated support and participation by the board

Balanced portfolio of funding sources

Constituent relationship management program in place

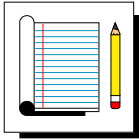
Endowments and reserve funds

Effective Communications and Marketing

- Strategic marketing plan
- Clear, jargon-free messaging
- Proactive communications to constituents and the community
- Network of key influencers
- Strong, content-rich website
- Great stories to demonstrate mission success

Motivated, Professional Staff

- Professional approach to staff and staff development
- Clearly defined roles and expectations
- Skills and experience commensurate with needs
- Appropriate compensation
- Respectful, supportive work environment
- Regular, constructive feedback
- Adequate resources available



Organizational Sustainability Assessment

Use the scale below to indicate how each statement applies to your organization.

3 = yes, we have this 2 = we're working on it 1 = no, we don't have this

I - Clear and Compelling Vision

SCORE

1	Brief, well-defined vision and/or mission statement	
2	Statement of core values	
3	Community assessment and feedback processes	
4	Focused approach that is not redundant with other organizations' programs	
5	Defined measures of success	

SUBTOTAL _____

II - Passionate and Engaged Board of Directors

6	Strategic approach to board recruitment and succession	
7	Board members are articulate advocates for the organization	
8	Clearly defined and consistently practiced roles and responsibilities	
9	Clear expectations and accountability for board members	
10	Written policies and procedures	

SUBTOTAL _____

III - Strategic Approach to Fund Development

11	Strategic fundraising plan	
12	Demonstrated support and participation by the board	
13	Balanced portfolio of funding sources	
14	Constituent relationship management program in place	
15	Endowments and reserve funds	

SUBTOTAL _____**IV - Effective Communications and Marketing**

16	Strategic marketing plan	
17	Clear, jargon-free messaging, with great stories to demonstrate mission success	
18	Proactive communications to constituents and the community	
19	Network of key influencers	
20	Strong, content-rich website	

SUBTOTAL _____**V - Motivated, Professional Staff**

21	Clearly defined roles and expectations	
22	Skills and experience commensurate with needs	
23	Appropriate compensation	
24	Respectful, supportive work environment with regular, constructive feedback	
25	Adequate resources available	

SUBTOTAL _____

Record your Sub-Totals here:

- I: Clear and Compelling Vision** _____
- II: Passionate, Engaged Board of Directors** _____
- III: Strategic Approach to Fund Development** _____
- IV: Effective Communications and Marketing** _____
- V: Motivated, Professional Staff** _____

For any Sub-Total Score that is between 5 – 7, roll-up your sleeves and keep listening.

For any Sub-Total Score that is between 8 – 11, there is still room for improvement.

For any Sub-Total Score that is between 12 – 15, congratulations! You are well on your way to sustainability.

Notes/Observations from completed Assessment:

- What “ah-ha!” did you have, from completing this assessment?

- Which of the five elements are ‘best practices’ in your organization?

- Which elements do you need to explore further?



Sustainability Element: Clear & Compelling Vision





Defining Your Organization's Culture

A clear and compelling vision includes the following elements:

- **Vision** – is an image of some desired future outcome to which the organization aspires. It determines behavior and guides decisions. It may describe a long term goal and could include vivid descriptions of what it will be like to achieve such a goal. A vision is aspirational and has an external focus.
- **Mission** – provides the core reason for the organization's existence. Usually stated in broad terms, it should be a unifying point for all organizational activities and should reflect people's idealistic motivations for doing the organization's work. In other words, why are we here? What inspires us?
- **Core Values** – provide a guide to decisions and embellishes our basic organizational beliefs. Looked at another way, value statements show what we hold near and dear. It is an integrity check, a way of life; it sets the tone for the organization and compels management decisions.

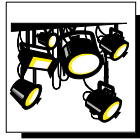
Core values require no external justification; they have intrinsic value and importance to those inside the organization. We should not change core values in response to external changes; rather, we should change strategies, if necessary, to remain true to our core values.

- **Goals** – are complementary to, and follow from your value statements. The goals of the organization provide general direction and guidance for developing specific objectives and actions.



Point to Remember:

These statements are not simply an exercise to create some stream of buzzwords that ring true but that no one really cares about. They are meant to promote and preserve the core of your organization's culture and stimulate the change and progress that are essential to its continued success and viability.



Practical Thinking for Aligning Your Organization

People are motivated to action when there is a strong connection between their needs and your organization's ability to fill those needs. Establishing that connection requires clear communications from and between all parts of the organization on what you stand for and what you are trying to accomplish.

First – Get the leaders of your organization to agree on the essence of its unique culture and purpose. Focus on the key elements that clearly define your mission, vision, values, principles, and goals. Avoid simply incorporating everything you may have done in the past – you can't be all things to all people.

Second – Once you have agreed to the fundamentals, craft the results into a simple message that everyone in a leadership position can communicate in a clear and consistent manner.

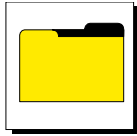
Third – Communicate the message to your staff. Listen to any concerns, but be sure to convey that this is what the organization stands for. Anyone who is not comfortable with any fundamental part of the approach should be encouraged to move on. You cannot have a high-performing organization with people on the inside who are not completely in agreement with its goals and principles.

Fourth – Communicate. Communicate. Communicate: with members, donors, key influencers, vendors, associates, the media, and each other – always conveying the same consistent message about who you are and what you're trying to accomplish. The clarity of your message will soon generate its own momentum, drawing like-minded people to your cause, and giving those already participating a much clearer sense of how they really fit in.

Fifth – Align your actions with your words. Leaders in the organization must act as they preach. Standards and principles must be modeled and enforced, otherwise they aren't your principles – they're just vague aspirations to someday have principles.

Sixth – Don't try to boil the ocean. Stay focused by limiting your activities and projects. Allocate (or reallocate) your resources to support the most important programs, and discontinue any programs that either don't completely fit your core message, or that you can no longer fully support.

Seventh – Build trust with your constituents by taking the time to listen to their concerns and aspirations. Time invested in one-on-one relationship building will pay huge future dividends in engaged, enthusiastic volunteer and financial support for your organization's goals and growth.



Vision & Mission Examples

Vision

A vision is a guiding image of success formed in terms of a contribution to society. If a strategic plan is the “blueprint” for an organization’s work, then the vision is the “artist’s rendering”.

There is one universal rule of planning: You will never be greater than the vision that guides you. The vision statement should require the organization’s members to stretch their expectations, aspirations, and performance.

A vision statement should be realistic and credible, well-articulated and easily understood, appropriate, ambitious, and responsive to change.

A compelling vision lays down the challenge for what the organization aspires to accomplish.

Compelling examples:

Children’s Hunger Relief Fund is saving the world one child at a time.

The mission of America’s Second Harvest is to create a hunger-free America.

United Way’s vision is to build a stronger America by mobilizing our communities to improve people’s lives.

The American Red Cross provides relief to victims of disasters and helps people prevent, prepare for, and respond to emergencies.

Family Resource Centers help Colorado families succeed.

Family-to-Family is dedicated to connecting families with more to families with less.

Less compelling examples:

The California Children and Families Foundation has a mission of promoting, supporting, and improving the health and early development of children from the prenatal stage to five years of age.

Feed the Children delivers food, medicine, clothing and other necessities to individuals, children and families who lack these essentials due to famine, war, poverty or natural disaster.

Head Start serves the child development needs of preschool children (birth through age five) and their low-income families.

Mission Statements

A mission statement is the expression of the why. It describes the need and what the organization is doing to meet it. It is internally focused, and is *inspirational*. It describes what inspires action, determines behavior, and fuels motivation.

A compelling mission statement has nine characteristics:

1. The language is bold, clear, and memorable.
2. It conveys the organization's values explicitly and implicitly.
3. There is both an emotional and rational impact.
4. It combines a "why" statement with a "what" statement.
5. The need that is being met is described in positive, not negative, terms.
6. It uses verbs that are active, not passive.
7. It inspires people to act, give, join, serve, and learn more.
8. It is adaptable for both marketing and development.
9. It summarizes succinctly the mission.

Mission Statement examples:

The Wallace Foundation

"Our mission is to enable institutions to expand learning and enrichment opportunities for all people. We do this by supporting and sharing effective ideas and practices."

To achieve our mission, we have three objectives:

- Strengthen education leadership to improve student achievement
- Improve after-school learning opportunities
- Build appreciation and demand for the arts

The Hearing Society

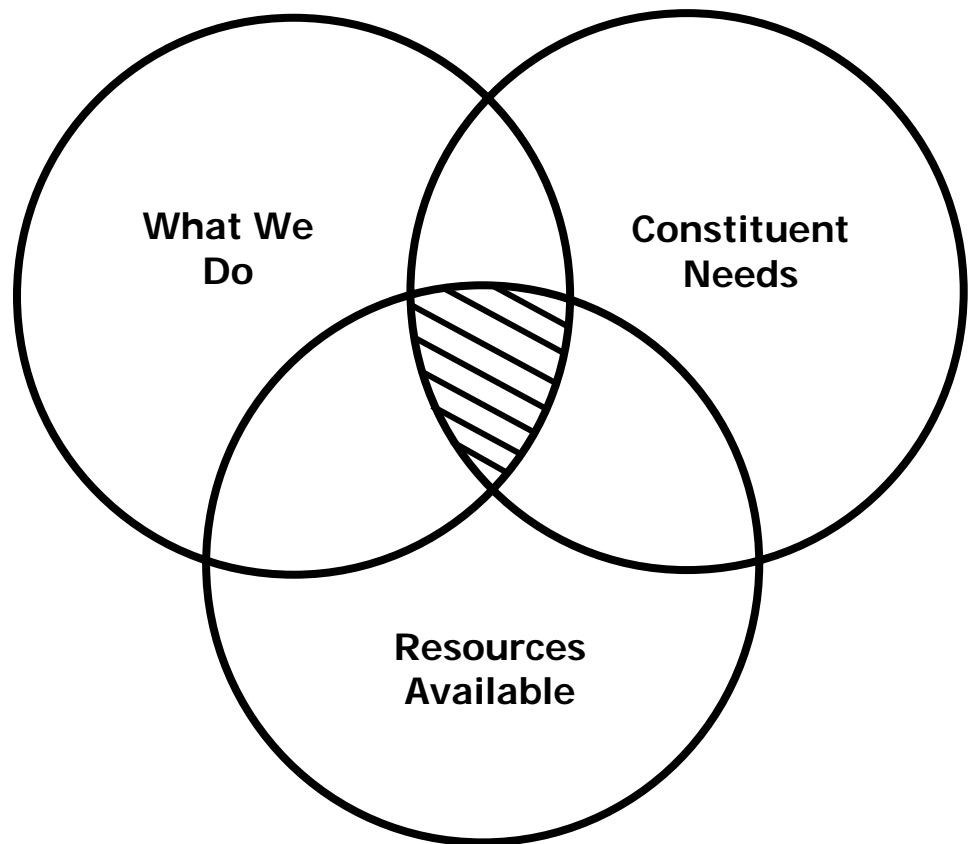
"We exist in a world of sound: children's voices, laughter and music, a baby's cry, the echo of fog horns, crunching leaves, a crackling fire, words of love and reassurance, whispered thoughts, soft breathing in the night, the ringing of a phone, signals of danger, and the fun of casual conversation.

Hearing loss separates us from these sounds. The Hearing Society helps people connect."

(Tagline developed from mission statement: "Reconnecting people with their world".)

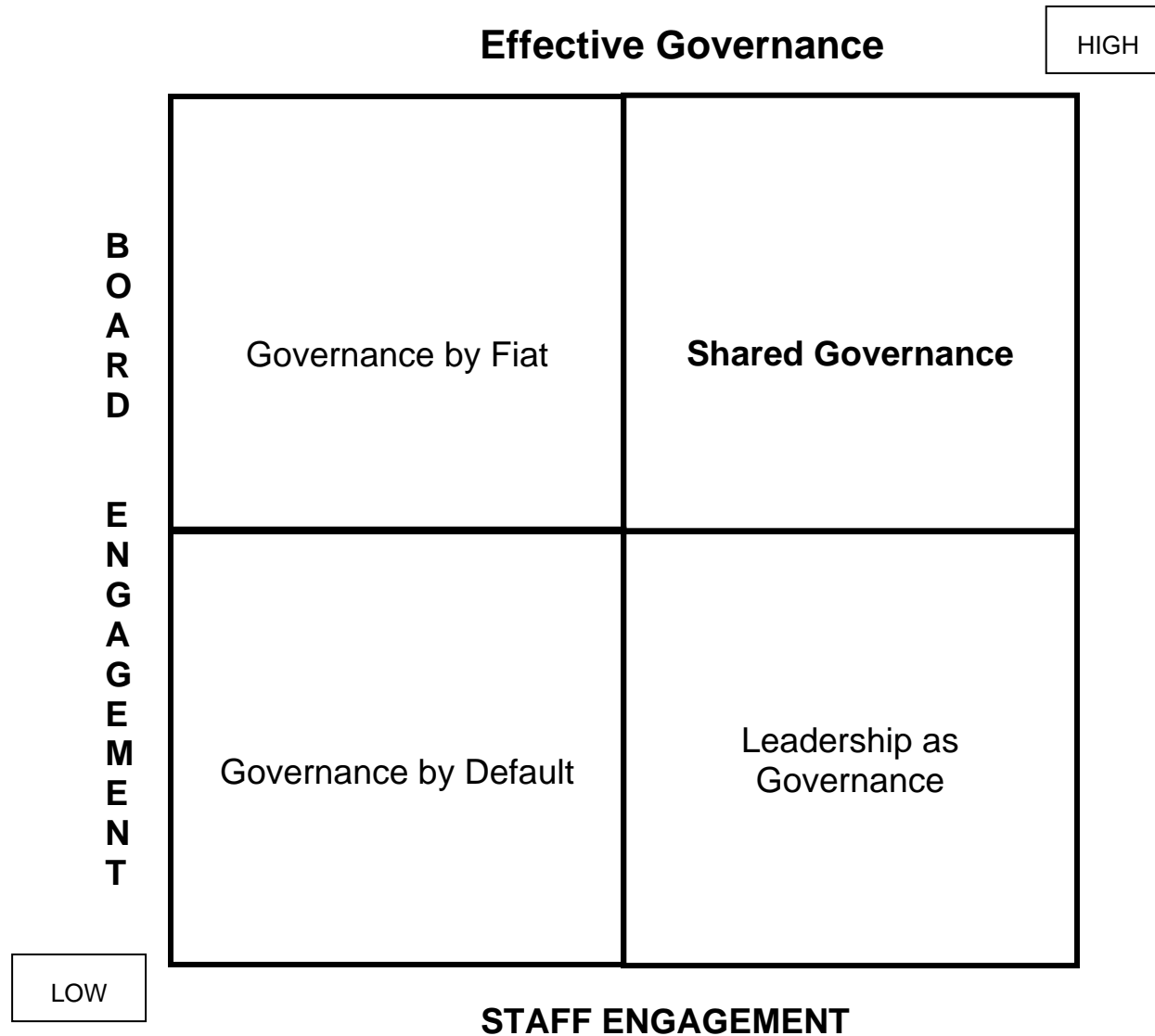


Focus





Sustainability Element: Passionate & Engaged Board





Governance in Your Organization¹

Take a few moments to think about generative thinking in your organization.

- Who decides what the organization will pay attention to?
- Who tends to frame the problems?
- Who decides what a given problem or opportunity means for the organization?
- Who has the most influence over what gets on to the organization's agenda or list of priorities?

With this in mind, select the quadrant that best decides the generative thinking scenario in your organization:

Quadrant: _____

If you placed your organization in the “shared governance” quadrant:

- What three things (structures, processes, elements of your organization’s culture, etc.) most enabled your organization to get there?

- What are your biggest challenges, worries, or frustrations about shared governance?

If you placed your organization in one of the other (suboptimal) quadrants:

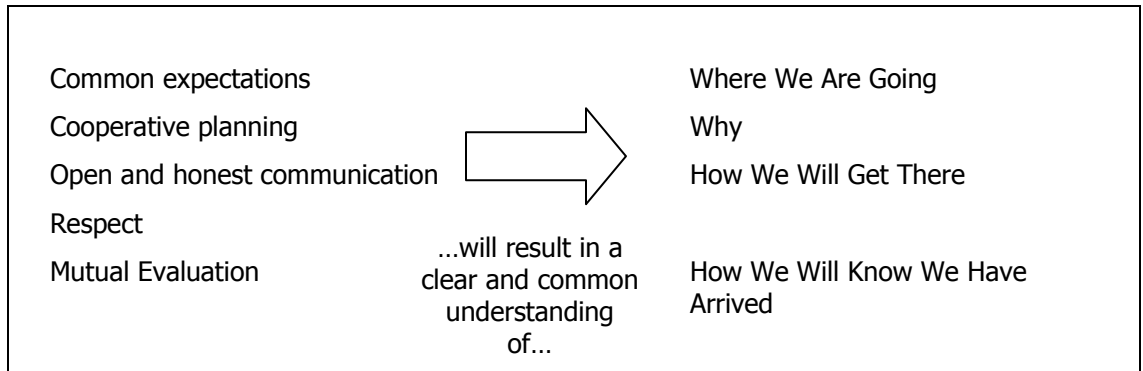
- What are the biggest costs of being in this quadrant?

- What challenges do you face in moving to shared governance?

- What could you build on to move to shared governance?



Characteristics of Effective Board-Staff Partnerships²



Factors Conducive to an Effective Board-Staff Partnership

Organizational health depends on an effective and flexible partnership between the board and the Executive Director (ED). It...

- Requires clarity and agreement about roles and responsibilities
- Requires regular and open communication between the board chair and the ED, as well as an agreement about how to work together
- Requires a willingness on everyone's part to clarify their own and each other's assumptions
- Benefits from regular and systematic feedback and assessment
- May need to be redefined as the organization develops in size and complexity

The Board

Authorized by the government and the organization's supporters, the board governs the life of the organization.

- Establish mission and direction, ensures the necessary resources, and develops guiding principles
- Retains ultimate responsibility and power
- Is accountable to the public trust and to the organizations constituencies

The Executive Director

Authorized by the board, the ED manages the daily affairs of the organization.

- Supports the board with strategic information, ideas, and connections
- Manages the affairs of the organization by ensuring appropriate planning, coordination, and implementation of the program established by the board to support the mission
- Retains immediate operational responsibility and power



Guiding Governance³

Purpose: For board members to consider the following questions, in order to discover what it means to be a governing board, and a board member.

Mission

1. How long has it been since our board reviewed and refreshed the mission of the organization and balanced it against day-to-day realities?
2. Who else should we include in discussions of mission and vision?
3. How do individual board members prepare themselves for their work on mission and vision?
4. How do we as board members maintain our connection and commitment to the mission?
5. Can everyone on our board clearly state our organization's mission?
6. What are the core values of the organization?
7. How are these values expressed in how we function?
8. Do the outcomes of each of our programs contribute to the achievement of our mission? If not, what needs to be done?

Oversight

1. Is our organization committed to planning as an essential part of effective leadership and management?
2. Do we use our plans to evaluate progress and outcomes?
3. Does our organization have an up-to-date code of ethics and conflict of interest policy?
4. How do we distinguish between board responsibilities and those of the Executive Director or staff? What are the areas in which our responsibilities overlap?

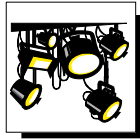
5. What indicators and processes do we use to find out whether our board is doing its job?
6. Do we regularly evaluate the Executive Director's performance? Our own performance as a board and as individual board members? What evaluation processes do we use?
7. Do board members have a clear written statement of their duties and responsibilities? Does the Executive Director have a clear job description?
9. Is the board aware of the Executive Director's salary and how it's determined? If not, why not?
10. Does the board regularly review the organization's Form 990, the public document?

Resources

1. How do we educate board members about the organization's fundraising strategy?
2. Does every board member make an annual contribution to the organization?
3. To what extent do board members actively ask others to provide financial support?
4. Are there obvious areas of strength and weakness in our board's fundraising performance?
5. Do we have adequate financial expertise among board members?
6. Does the board receive regular, complete financial reports? Are the reports clear and easy to understand?
7. What questions do we bring to our review of financial documents?
8. What internal controls are in place to guard against potential fraud and abuse?
9. Are our investment policies consistent with our values, financial situation, and long-term goals?

Outreach

1. Do your community stakeholders know and understand our mission?
2. How does the board support our outreach activities? How can this be expanded?
3. To what extent is our organization well known to business, government, education, and media leaders? Do we actively pursue and develop those relationships?
4. How could more effective outreach enhance our fundraising capabilities?
5. How do the board, its members, and the staff work together in the area of community outreach? How can we strengthen this partnership?



How Your Board Can Govern More and Manage Less

- Develop a strategic plan and adhere to it.
- Link the current agenda to the strategic agenda.
- Monitor the success of the organization's initiatives.
- Develop clear expectations and a plan of action for the board of Directors.
- Encourage the chief executive to think strategically.
- Prepare materials and structure meetings to direct the board's attention to matters of policy and strategy.
- Develop and use a consent agenda.
- Determine priorities and organize the agenda accordingly.
- Assess the performance of the board on a regular basis.
- Focus on policy objectives, organizational strategy, and the relationship between budgets and priorities.
- Assess the chief executive.



Resource Materials

Tools to Help Build Passionate and Engaged Boards

- ✓ What Does it Take?
- ✓ Guidelines for Recruiting Board Members
- ✓ Sample Board Member Application
- ✓ Sample Board Member Agreement
- ✓ Sample Board Member Job Description
- ✓ Board Profile Assessment
- ✓ Checklist for Successful Board Orientation
- ✓ Board/Staff Responsibility Worksheet
- ✓ Board Meeting Effectiveness



What Does It Take?

Tending to Process

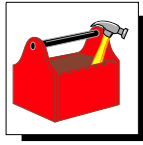
- Advance warning
- Orient judiciously
- Board buddies
- Matchmaking
- Meetings of the minds
- Front lines

4 Ways to Focus on Purpose

1. Choose the right board members
2. Do value-added work
3. Make it stimulating
4. Expect change

5 Tips for Engaging the Board

1. Break out of the boardroom
2. Play games
3. Be a “learning board”
4. Clarify expectations
5. Do reality checks



Tool: Guidelines for Recruiting Board Members

By Carter McNamara

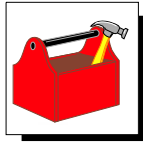
The following guidelines should be modified as necessary to conform to the particular culture and purpose of the organization.

It's very important to keep the perspective that your board deserves highly skilled and participative board members. Don't erode your goals and believe that you are lucky to get anyone at all.

When you set out to recruit new members, the most important consideration is to know what kinds of skills are currently needed by the board. Consider the nature of issues and goals currently faced by the organization. For example, if you're struggling with finances, then seek a member with strong financial skills. It's highly useful to use a Sample Board Recruitment Grid.

1. Maintain an up-to-date list of potential board candidates, including the particular skills they can bring to the organization. This is often done by the Nominating Committee or the Board Development Committee.
2. Develop a Sample Board Application Form for prospective new board members. The form should solicit information about the potential new member, including biographical information, why they want to join this board, what they hope to bring to the board, what they would like to get from their board membership and any questions they might have.
3. According to any scheduling in the By-laws and/or after strategic planning, reference major strategic goals for the organization and the chief executive to identify what skills would be highly useful to the board, e.g., if new people will be hired the board may desire people with human resource skills, etc.
4. Reference the list of potential candidates to recruit for board membership and ask to meet with them.
5. Prospective board members should meet with the board chair and the chief executive, hear an overview of the organization and receive relevant organizational materials describing the organization's products or services, receive a board member job description and a board member application form. The prospective new member should hear about how the organization orients new members. Provide names of several board members whom the prospective new member might contact with any questions.
7. Identify if there are any potential conflicts of interest with the candidate, e.g., is he or she on the board of a competing organization, a vendor of the organization, etc.

8. Invite the prospective new member to a board meeting. Notify current board members that a potential new member will be attending. Consider name tags to help the potential new member be acquainted with board members. Introduce the member right away in the meeting and, at the end of the meeting, ask the potential new member if they have any questions. Thank them for coming.
9. Shortly after the meeting, call the prospective new member to hear if they want to apply for joining the board or not. If so, solicit their completed board member application and provide all applications to the board for their review and election.
10. Notify new members (those who have been elected) and invite them to subsequent board meetings and the board orientation.



Tool: Sample Board Member Application

Name:

Address:

Daytime Phone:

Evening Phone

Current Employer:

Email Address:

Describe the personal and/or professional skills you will bring to the Board of Directors:

Why do you want to serve on the board of this organization?

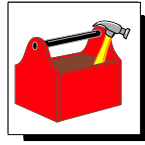
Are you now or have you been on any other boards? Yes No. If yes, please explain:

Areas of Interest:

- ☐ Programs
- ☐ Education
- ☐ Public Relations
- ☐ Finance
- ☐ Fund Raising/Events
- ☐ Board Recruitment
- ☐ Marketing

Signature:

Date:



Tool: Sample Board Member Agreement

{organization's name}

BOARD MEMBER AGREEMENT

I, _____, understand that as a member of the Board of Directors of {organization's name}, I have a legal and moral responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward.

As part of my responsibilities as a board member:

1. I will interpret the organization's work and values to the community, represent the organization, and act as a spokesperson.
2. I will attend all board meetings, committee meetings as appropriate and special events. If special circumstances prevent me from participating, I will notify the Board President in advance.
3. I will make a personal financial contribution at a level that is meaningful to me.
4. I will actively participate in one or more fundraising activities.
5. I will act in the best interests of the organization, and excuse myself from discussions and votes where I have a conflict of interest.
6. I will stay informed about what's going on in the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies and other board matters.
7. I will work in good faith with staff and other board members as partners towards achievement of our goals.
8. If I don't fulfill these commitments to the organization, I will expect the board president to call me and discuss my responsibilities with me.
9. In turn, the organization will be responsible to me in several ways:
10. I will be sent, without request, quarterly financial reports and an update of organizational activities that allow me to meet the "prudent person" section of the law.
11. Opportunities will be offered to me to discuss with the executive director and the board president the organization's programs, goals, activities, and status; additionally, I can request such opportunities.

12. The organization will help me perform my duties by keeping me informed about issues in the industry and field in which we are working, and by offering me opportunities for professional development as a board member.
13. Board members and staff will respond in a straightforward fashion to questions I have that I feel are necessary to carry out my fiscal, legal and moral responsibilities to this organization. Board members and staff will work in good faith with me towards achievement of our goals.
14. The organization will provide the Board of Directors with Directors & Officers liability insurance.
15. If the organization does not fulfill its commitments to me, I can call on the board president and executive director to discuss these responsibilities.

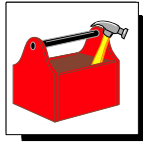
Signed:

Date:

Member, Board of Directors

Date:

President, Board of Directors



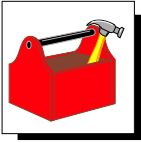
Tool: Sample Board Member Job Description

Fundamental Responsibilities

- Be informed about organization's mission, services, policies, programs and fiduciary responsibilities
- Inform others about the organization's mission, programs, activities, and events
- Actively provide creative perspective and solutions for the organization's most pressing issues
- Attend all monthly board meetings, annual board retreat, assigned committee meetings, and functions
- Review agenda and supporting materials prior to all meetings; review and comment on minutes and reports
- Participate actively in board and committee work
- Volunteer for and willingly accept assignments and complete them thoroughly and on time
- Make a personal financial contribution to the organization (current policy call for a minimum \$xxx)
- Suggest possible candidates for nomination to the board
- Follow conflict of interest and confidentiality policies
- Participate actively in fund raising for the organization

Personal Characteristics

- Ability to: listen, analyze, think clearly and creatively, and work well with people individually and in a group.
- Willing to: prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment, contribute personal and financial resources in a generous way according to circumstances, open doors in the community, evaluate oneself.
- Develop certain skills if you do not already possess them, such as to: cultivate and solicit funds, cultivate and recruit board members and other volunteers, read and understand financial statements, learn more about the substantive program area of the organization.
- Possess: honesty, sensitivity to and tolerance of differing views, a friendly, responsive, and patient approach, community-building skills, personal integrity, a developed sense of values, concern for your nonprofit's development, a sense of humor.



Tool: Board Profile Assessment^{iv}

How Can We Recruit the Right Board Members?

1. Think about how *you* would like to be recruited. The seriousness with which a board member is recruited and selected is directly proportional to the seriousness with which the board member fulfills her/his role.
2. Define the board member's job:
 - In writing
 - Define the role of individual members as well as the role of the Board as a governing group
 - Discuss expectations (governance, implementation, volunteer). Include amount of time expected, donation expectations, committee involvement, how board member performance is evaluated
3. Use the organization's mission and values as a primary criterion for selecting new Board members.
4. Agree on profile of the future board.
 - Minimum, maximums, percentages of whatever characteristics are important to your organization.
 - People want to serve in meaningful ways; ensure potential Board members are not identified based solely due to membership to any particular demographic
5. Develop qualifications for serving. Complete profiles below as a starting point.
 - Identify gaps in desired experience and qualifications
6. Adopt a plan to identify and nurture prospects
 - Develop an action plan to start a list of people who might fit the board.
 - The identification process should be ongoing and involve all current board members
7. Be rigorous about the nomination process.
 - Consider demographic balance.
 - Look into the future: will prospective members fill changes in skills as current members leave? Who can be groomed for future leadership roles, for example?
 - Explain qualifications you feel the prospective member has.
 - Offer copies of bylaws and board policy manuals.
 - Conduct reference checks.
 - Take the time now to thoroughly explain board service in order to minimize surprises, frustration, and to signal you have high expectations.
8. Take board election and new member orientation seriously.
 - First impressions will influence a new board member's decision to stay or go.
 - Well-planned and executed orientation shortens the learning curve, ensures active involvement, and can reduce turnover.

Table 1: Board Member Profile

	Current Board Members										Prospective Board Members			
Desired Characteristics	1	2	3	4	5	6	7	8	9	10	A	B	C	D
ALL MEMBERS SHOULD HAVE THESE CHARACTERISTICS:														
Demonstrated shared values; interests are aligned with organization														
Demonstrated interest before nomination														
Donor of record in last year														
Some experience in our area of service														
Board service supported by family														
Able to attend meetings; give 8-10 days per year														
Known as a good group decision maker														
Other:														

Table 2: Board Member Skills

	Current Board Members										Prospective Board Members			
Desired Characteristics	1	2	3	4	5	6	7	8	9	10	A	B	C	D
EACH MEMBER SHOULD HAVE ONE OR MORE OF THESE CHARACTERISTICS:														
Recognized community leader														
Prior experience on nonprofit boards														
Knowledge of nonprofit law														
Knowledge of nonprofit fundraising														
Specialized knowledge of one mission/program area														
Helps balance board in terms of gender														
Helps balance board in terms of age														
Helps balance board in terms of ethnicity														

	Current Board Members										Prospective Board Members			
Desired Characteristics	1	2	3	4	5	6	7	8	9	10	A	B	C	D
Good mediator of group disagreements														
Knowledge of land use and facilities management														
Experience in interacting with local government														
Has network of donor prospects														
Leadership in another organization important to us														
Other:														

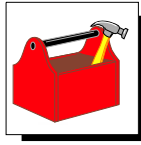
	Current Board Members							Prospective Board Members						
Area of Expertise/Professional Skills	1	2	3	4	5	6	7	8	9	10	A	B	C	D
Administrator														
Architect														
Business/Corporate														
Community Leader														
Educator														
Executive Director														
Finance:														
Accounting														
Banking & Trust														
Investments														
Foundation Representative														
Fundraising														
Government Representative														
Human Resources														
Insurance														
Legal														
Marketing														
Media														
Medical														
Public Relations														

	Current Board Members										Prospective Board Members			
Area of Expertise/Professional Skills	1	2	3	4	5	6	7	8	9	10	A	B	C	D
Real Estate														
Recruiting														
Religious														
Strategic Planning														
Special Program Focus														
Board Experience														
President														
Vice Chair														
Treasurer														
Secretary														
Board Development														
Executive														
Finance														
Fund Development														
Marketing														
Planning														
Other:														

Table 3: Demographics

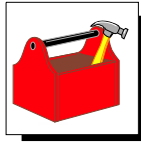
	Current Board Members										Prospective Board Members			
	1	2	3	4	5	6	7	8	9	10	A	B	C	D
Age														
Under 35														
From 36-50														
From 51-65														
Over 65														
Gender														
Women														
Men														
Ethnicity														
Asian														
African-American														
Latino														
Caucasian														
Other														
Geographic Location														
City														
State														
Country														

	Current Board Members										Prospective Board Members			
	1	2	3	4	5	6	7	8	9	10	A	B	C	D
Contributions: In-kind (I), Donation (D), Solicited (S)														
>10K														
5-10K														
2-5K														
1-2K														
< 1K														
Length of Board Service														
Over 10 years														
5-10 years														
2-4 years														
Less than 2 years														
None														
Attendance														
75-100%														
50-74%														
25-49%														
<24%														
Term of Expiration														



Tool: Checklist for Successful Board Orientation^v

- ☐ **Plan the orientation!**
- ☐ **Schedule** the orientation for the most convenient time and location for all board members. Set the date well in advance to accommodate busy schedules.
- ☐ **Keep it simple.** Don't use orientation time to teach board members how to read a financial statement. Provide and overview of important information.
- ☐ **Pace the presentation** to fit time allotted. Create a timed agenda and stick to it.
- ☐ **Allow time for Board members to get to know each other.** Facilitate a structured introduction. Example: Board members form pairs, conduct brief interviews of each other. Each pair then takes a turn introducing his/her partner to the whole group.
- ☐ **Pay attention to the room's seating arrangement.** Informal circles encourage interaction and allow everyone to see each other.
- ☐ **Ask seasoned or emeritus board members to share stories** from the organization's past.
- ☐ **Include an official "swearing in" ceremony** at which time new board members pledge their service and formally acknowledge their responsibilities as board members.
- ☐ **Explain** board meeting procedures, including the informal norms such as dress, timing, etc.
- ☐ **Pair new members with a seasoned board member** to serve as a mentor, to help integrate the new member, answer questions, etc.
- ☐ **Maintain a sense of humor.** Humor can build camaraderie.
- ☐ **Learn from experience.** Ask seasoned board members, "what do you wish you had known when you first became a board member that would have made a difference in the way you did your job?"

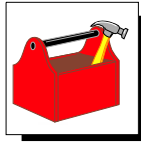


Tool: Board/Staff Responsibility Worksheet

Check the appropriate box, assigning PRIMARY responsibility for each item.

Task	Board Responsibility	Executive Director/Staff Responsibility
1. Determine the organization's goals		
2. Fund raise for the organization		
3. Hire the executive director		
4. Establish the organization's policies		
5. Execute policy		
6. Recommend organization policy		
7. Administer all aspects of organization operations		
8. Hire and supervise support staff		
9. Approve annual budget		
10. Plan and implement programs		
11. Responsibility for compliance with all legal requirements		
12. Recruit new board members		
13. Orient, train, and develop board members		
14. Draft the annual budget		
15. Establish staff benefit policies		
16. Manage staff benefit policies		
17. Prepare background materials for board consideration		
18. Select board members for various committees		
19. Serve as professional resource to the board		

Task	Board Responsibility	Executive Director/Staff Responsibility
20. Provide community relations contacts with community		
21. Prepare reports for the board		
22. Evaluate organization's results		
23. Keep board members informed regarding organization's operations		
24. Assess operational problems		

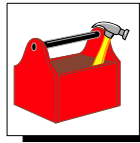


Tool: Board Meeting Effectiveness

At the conclusion of each Board or committee meeting, each participant rates the following items on an index card or ready-to-use form.

1. The issues covered today were					
1	2	3	4	5	
TRIVIAL			ESSENTIAL		
2. The materials provided today were					
1	2	3	4	5	
TRIVIAL			ESSENTIAL		
3. Today's discussion concerned primarily					
1	2	3	4	5	
TRIVIAL			ESSENTIAL		

4. What was the most valuable contribution we made to our organization today?
5. What might we do differently to improve our meeting today?
6. In light of today's meeting, what are the most important topics we should address at our next meeting?



Tool: Sample Board Effectiveness Assessment

How Does Your Board Measure Up

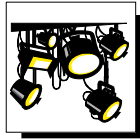
Rate your board using the following scale:

- 0 – No, this doesn't exist on our board
- 1 – We're working on it
- 2 – Yes, we're in great shape on this item

Selection & Composition	Rating
<ul style="list-style-type: none"> The board is composed of persons vitally interested in the work of the organization. 	
<ul style="list-style-type: none"> The board is representative of its constituency with regard to race, class, gender, and sexual orientation. 	
<ul style="list-style-type: none"> There is a balance of new and experienced board members to guarantee both continuity and new thinking. 	
<ul style="list-style-type: none"> Board members have the combination of skills (e.g., fundraising, management, legal, fiscal, etc.) necessary to do their work. 	
<ul style="list-style-type: none"> The number of consecutive terms a board member can serve is limited. (No life terms!) 	
<ul style="list-style-type: none"> The organization has a pool of potential board members identified for the future. 	
<ul style="list-style-type: none"> The organization develops future board members through the use of volunteers on committees. 	
<ul style="list-style-type: none"> New board members are recruited and selected using a thorough review process. 	
Subtotal (out of a subtotal maximum of 16 points)	
Orientation & Training	Rating
<ul style="list-style-type: none"> There is a statement of agreement outlining the responsibilities of board members that all board members sign. 	
<ul style="list-style-type: none"> The board understands its legal liability. 	

<ul style="list-style-type: none"> • The organization provides an orientation for new board members. 	
<ul style="list-style-type: none"> • The organization supplies a board manual to all board members that includes, but is not limited to, descriptions of current programs, a list of board members, budget and funding information, bylaws, and personnel policies. 	
<ul style="list-style-type: none"> • The organization makes training opportunities available for board members to increase skills related to their board responsibilities. 	
Subtotal (out of a subtotal maximum of 10 points)	
Board Structure & Organization	Rating
<ul style="list-style-type: none"> • The board has a simple, concise set of bylaws that describes the duties of board members and officers, and the procedures by which the board conducts its business. 	
<ul style="list-style-type: none"> • The board has a mechanism (such as an executive committee) for handling matters that must be addressed between meetings. 	
<ul style="list-style-type: none"> • The board elects a chair (or co-chairs) to provide leadership and coordinate the on-going work of the board and its committees. 	
<ul style="list-style-type: none"> • Committee assignments are reviewed and evaluated periodically. 	
<ul style="list-style-type: none"> • Board and staff members are clear about their respective responsibilities. 	
<ul style="list-style-type: none"> • The board has active committees (e.g., fund-raising personnel, nominating, long-range planning) with specific responsibilities. 	
<ul style="list-style-type: none"> • Working relations between the board chair and the executive director are strong and productive. 	
<ul style="list-style-type: none"> • Relations between the staff and board are characterized by mutual respect and good rapport. 	
Subtotal (out of a Subtotal maximum of 16 points)	
The Board at Work	Rating
<ul style="list-style-type: none"> • There are regularly scheduled board meetings at least 4 times a year. 	
<ul style="list-style-type: none"> • Meetings begin and end on time per an agreed-upon schedule. 	
<ul style="list-style-type: none"> • There is adequate preparation and distribution of material, including agendas, study documents, etc., in advance of board meetings. 	
<ul style="list-style-type: none"> • Board meetings are characterized by open discussion, general participation, and active thinking. 	

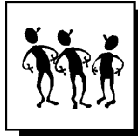
<ul style="list-style-type: none"> • Board members deal primarily with policy formulation; program, financial, and long-range planning; financial review; and evaluating the work of the organization. 	
<ul style="list-style-type: none"> • Minutes of the board and committee meetings are written and circulated to the members. 	
<ul style="list-style-type: none"> • Committees are active and complete assigned tasks in a timely manner. 	
<ul style="list-style-type: none"> • The board is aware of matters of community, state, and nationwide concern within the organization's field of interest. 	
<ul style="list-style-type: none"> • The individual board members accept and carry out assignments within the area of their talents and expertise. 	
<ul style="list-style-type: none"> • Board members follow through on their commitments in a timely manner. 	
<ul style="list-style-type: none"> • Board members make a generous financial contribution (self-defined) to the organization on an annual basis. 	
<ul style="list-style-type: none"> • All board members are involved in some aspect of fundraising for the organization. 	
<ul style="list-style-type: none"> • The board conducts an annual review of its own organization and work. 	
<ul style="list-style-type: none"> • New leadership is emerging consistently from the board and its committees. 	
Subtotal (out of a subtotal maximum of 28 points)	
TOTAL SCORE (out of a maximum of 70 points)	



Sustainability Element: Motivated, Professional Staff Culture

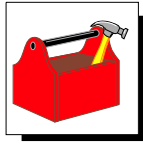
What is culture?

How do you create a culture in which staff contributes to their fullest and wants to stay?



Motivation: What Does it Take?

-
-
-
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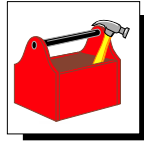
Tool: Recruit Right

3 Keys to Recruitment

1.

2.

3.



Tool: 12 Questions to Ask Staff

In the book, *First Break All the Rules*, authors Coffman and Buckingham identified the elements of an organization directly linked to employee retention, productivity, financial success, and client satisfaction.

If staff can answer “strongly agree” to each of the 12 questions, you are well on your way to realizing a Motivated and Professional Staff.

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission/purpose of my organization make me feel my job is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, has someone at work talked to me about my progress?
12. This last year, have I had opportunities at work to learn and grow?



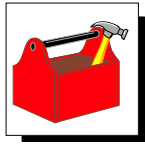
Tool: It's All about You/Es Todo de Ti

It's All About / Es Todo de:

_____date/fecha_____

Employee/nombre _____

- What is your favorite soda flavor? ¿Qué es su refresco favorito?
 - What is your favorite candy? ¿Qué es su dulce favorito?
 - What is your favorite color? ¿Qué color prefiere?
 - What is your favorite restaurant? ¿Cuál es su restaurante favorito?
 - What is your favorite flavor of ice cream/sorbet? ¿Qué es su sabor favorito de helado/sorbete?
 - What type of flower do you like? ¿Qué tipo de flor le gusta?
 - What is your favorite kind of cookie? ¿Qué tipo de panecillo dulce prefiere?
 - What type of food do you like? ¿Qué tipo de comida prefiere?
 - What is your hobby? ¿Qué es su chifladura?
 - What is your favorite snack? ¿Qué clasé de antojito prefiere?
 - Do you collect anything special? ¿Collecciona algo de especial?
 - What is your favorite subject to read about? ¿Qué es su asunto favorito sobre que leer?
 - What is your favorite type of music? ¿Cuál es su tipo de música favorita?
 - What is your favorite store? ¿Qué tienda o almacen prefiere?
 - What is your favorite coffee or special beverage? ¿Cuál café o bebida especial prefiere?
 - If you could treat yourself to a gift under \$25.00, what would it be?
 - ¿Si pudiera regalarse un presente que cuesta menos de 25\$, que seria?
 - Would you prefer: 1) private recognition, 2) semi-private recognition, 3) public recognition, or 4) no preference?
 - ¿Qué prefiere – reconocimiento 1) privado, 2) semi-privado, 3) publico, o 4) sin preferéncia?
-
- ✓ Please complete this form and turn in to your manager
 - ✓ Favor de llenar este papel y deselo al manejo



Tool: Evaluating the ED

Guidelines

- Do it....and do it annually.
- Do it in a constructive way.
- Make it a regular exercise for the ED, for the board, and for the organization.
- Include the ED in all aspects of the process and content of the performance evaluation.

Content

- Examine your organization's goals and how the ED's performance supports and ensures their implementation
- Establish measurable objectives with the ED related to your organization's goals and to leadership and management qualities.
- Assess the quality of the ED's relationship with the board, staff, funders, government agencies, the community, stakeholders, and consumers.

Issues that Shape the Evaluation Process

- Who has the primary responsibility: the Executive Committee? Board Chair? Full board?
- How will agreement be reached with the full board on the criteria for the evaluation?
- What is the timeframe for the evaluation?
- Will staff, community, and/or clients be involved?
- What opportunity will the ED have to respond to the evaluation?
- How will the final evaluation be shared with the full board?

Key Questions for Assessing the ED's Performance

1. What are the major objectives of your organization:
 - short term (1-2 years)
 - long term (5-10 years)
2. How well are these objectives being realized?
3. Does the ED have the necessary knowledge and skills?
4. Does the ED have the necessary personal qualities and characteristics?
5. Does the ED recruit, supervise, and retain staff?
6. What are the ED's major strengths?
7. What are the ED's major weaknesses?
8. What external factors, if any, have interfered with the ED's ability to achieve organizational goals?
9. What specific decisions and actions will be desirable or necessary to:
 - Strengthen the ED's performance?
 - Clarify the respective roles of the ED and the board?
 - Enhance the effectiveness of the organization?



Sustainability Element: Communications & Marketing

Begin with a clear and compelling vision.

- This drives strong positioning by defining the who, what and why of your organization.

Develop a message that connects you to your audience

- Understanding your audience helps you connect to what motivates them.
- The key is to give them a reason to take action by answering the Why.
- Use the Message Development Checklist to assess your audience and develop key message points.

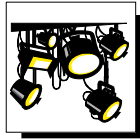
Image... A picture is worth a thousand words...

Reinforce your message graphically:

- Does your logo convey who you are? What you do?
- Do you use type, images - art or photos - to tell your story?
- Do your words paint a picture for your audience?

Developing a Strategic Marketing Plan

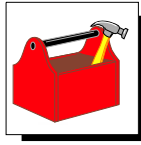
- Consider how and where you reach your audience.
- Determine what "tools" will be most effective for your target audiences.
- Are there seasonal considerations for your communications?
- Consistently deliver your message through multiple media.
- Tailor your message for the environment in which it is being delivered. How much information can you convey with each communication? How does environment affect tone?
- What partners/allies can help you distribute your message? What tools can you provide them to help them be more effective and stay on message?
- Are your internal ambassadors telling your story accurately?
- Training and practice helps improve everyone's ability to communicate. Incorporate communication training and message review sessions into your planning.



Strategic Marketing Plan Elements

The “Toolbox”: Identify Communications Methods - Based on your Audiences

- Media
 - ☐ Press kits
 - ☐ Press releases
 - ☐ Media advisories
 - ☐ Interviews
 - ☐ Calendar listings
 - ☐ Editorial briefings
- Newsletters
 - ☐ Electronic or print?
 - ☐ Frequency?
 - ☐ Seek inclusion in other organization's newsletters
- Events
 - ☐ Scripted remarks
 - ☐ Speaking points for board members
 - ☐ Printed pieces and signage
 - ☐ Develop tone; entertainment and activities to communicate message
- Websites
 - ☐ Content rich – make your website a resource
 - ☐ Regular Updates
 - ☐ Design – easy to navigate
 - ☐ Build resource base as appropriate – links to other resources
- Person-to-person
 - ☐ Develop and practice speaking points
 - ☐ Encourage board members and employees to develop their communications skills
 - ☐ Never miss an opportunity to talk about your organization.
- Collateral Materials
 - ☐ Develop a plan - this saves money
 - ☐ Communicate a strong, consistent visual image – logo, typeface, art or photos
 - ☐ Includes: Letterhead, brochures, , direct mail, posters, tent cards,
 - ☐ Keep your message clear, jargon -- free and concise.



Tool: Message Development Check List

Who: Audience Analysis

- ☐ Who are they? Define demographics, needs and attitudes.
- ☐ What do they know about your organization/the issue you address?
- ☐ How do they feel about the organization/issues? Understanding this helps define your key messages and how to deliver them.
- ☐ What motivates your audience? Addressing this gives you the "Why" they need to follow your recommendation.
- ☐ Different people learn in different ways. Some work best with facts, others antidotes, others visuals. What type of learner are you addressing?
- ☐ How are they affected by your organization?
- ☐ When meeting with the press, remember that your audience is their readers/viewers/listeners. You have to address the concerns of your interviewer while delivering the message intended for the public.
- ☐ Finally, consider the environment in which your message is delivered. Are there distractions that you need to plan for? How much information can be transmitted in this environment? Are words or images more effective in this environment?

What: Purpose/Vision - Action

- ☐ What need does your organization address? Refer to your vision statement.
- ☐ How does your organization meet this need? Address both values and services.
- ☐ What action do you want your audience to take? Financial support? Volunteering? Voting?
- ☐ Prioritize your messages for each audience.
- ☐ Be specific.

Why: Benefits

- ☐ What benefit does your audience get by taking the action you recommend? The benefit may be physical or psychological.
- ☐ Remember to draw on your audience assessment – What motivates your audience?
- ☐ Tailor your communication to your audience. Audiences are composed of individuals – so there are many potential "whys" - which personality types are you addressing in this communication and what would motivate them?
- ☐ Make the "why" real – demonstrate why with facts, antidotes, analogies, examples, details, and personal stories.
- ☐ Why might someone object to your recommendation? Be ready to address this in positive terms when communicating in person.
- ☐ Stay positive. Speak in terms of solutions to problems, rather than just listing the problems.

How: Call to Action!

- ☐ Always ask! To communicate without a call to action is a missed opportunity. Always give your audience an action item: learn more... join today... donate...
- ☐ Tell your audience the solution (action) you want them to take and be specific.
- ☐ This flows directly from the "What" of your assessment.
- ☐ Present your objective as a solution to your audiences' "Why?"



Comparing Apples, Coffee, and Donuts

What do brands like Apple, Starbucks and Krispy Kreme have in common? Sure, they all have great logos, creative advertising campaigns, and powerful PR strategies, but their success is due to something much less tangible and often misunderstood – the emotional connection the customer has formed with the brand.

Take a look at this list compiled by brandchannel.com of the *Top Ten US Brands for 2003*. You will probably notice that you have an immediate and emotional response to each brand name. The organizations behind these brands understand and consistently reinforce how their customers relate to the brand. As a result, customers have placed their trust in these brands to deliver on their promises.



It's critical to understand the bond that exists between your product or service and your customer in order to develop effective campaigns that support the brand. Woe to the executive who ignores this dynamic and initiates marketing campaigns, brand extensions, or package design changes that conflict with the customer's brand experience. The result can range from brand confusion to mass brand defection.

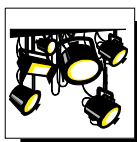
The best example of brand defection was the result of one of the biggest blunders in corporate history: the 1985 introduction of New Coke. While the new formulation was well liked in preliminary taste tests, consumers across the country reacted strongly and negatively to the news that New Coke would replace the original drink. Coca-Cola fanatics started stock-piling cases of the original Coke in their garages for fear they would be cut-off from their favorite beverage. Coke's US market share was just under 24 percent at the time, and sales plummeted as loyal customers rejected New Coke.

Not quite three months after he made the mistake, CEO Roberto Goizueta rectified it with the re-introduction of the original Coke under the name "Coke Classic." At the time he noted the company had not understood the "deep and abiding emotional attachment to original Coca-Cola felt by so many people."

Before launching your next marketing initiative, take the time to ask your customers how they feel about your brand. Something as simple as a well-written survey is a good way to start the process. When conducting on-line surveys, written surveys, and telephone surveys, I'm always surprised at how willing customers (and key stakeholders) are to share their opinions. Of course, gathering the information is just the first step. It is equally important to analyze the data and incorporate the findings into your marketing strategy.

Remember that your brand ultimately resides in the hearts and minds of your customers. Winning and keeping their trust is paramount to creating a highly successful brand. If you continually nurture the emotional connection, one day your brand may be on the short list of top brands alongside Apple, Starbucks, and Krispy Kreme.

Lisa Toller, NewLevel Group



Sustainability Element: Strategic Approach to Funding

RESEARCH: U.S. Charitable Giving Exceeds \$260 Billion in 2005

American donors gave more than **\$260 billion** to charitable causes in **2005**, a **6.1 percent increase** from 2004, according to the annual report *Giving USA*. The report, produced by the Glenview, Ill.-based Giving USA Foundation, indicates that giving from most sources increased in 2005 and most sub sectors experienced strong rates of growth.

Overall giving is estimated at \$260.28 billion, up from the revised estimate of \$245.23 billion in 2004. A minimum of \$7.37 billion of that total, or **roughly 3 percent** of all charitable giving during the year, is believed to have gone to **disaster relief** in 2005. Removing the disaster relief funds from the overall giving totals (and then assuming none of the relief funds would have been given to charity), total giving went up 3.2 percent and actually decreased by 0.2 percent when adjusted for inflation.

The report also found that **59 percent** of organizations **reported an increase** in charitable receipts in 2005, which is the highest percentage of organizations reporting growth since 2000.

Again, individual contributions were far and away the largest source of charitable contributions, totaling \$199.07 billion. This figure represents 76.5 percent of overall giving and is an increase of 6.4 percent from the 2004 total. The report also estimates that individuals gave \$5.83 billion to disaster relief.

Foundation grant making reached \$30 billion in 2005, a 5.6 percent increase from 2004.

Foundation giving represents 11.5 percent of all estimated giving during the year. Foundations made an estimated \$160 million in grants for disaster relief in 2005.

Corporate contributions rose 22.5 percent to 13.77 billion, representing 5.3 percent of total giving in 2005. Approximately \$1.38 billion of corporate contributions went to disaster relief. In contrast, charitable bequests fell 5.5 percent to \$17.44 billion, representing 6.7 percent of total giving in 2005. A steep decline in the number of deaths in 2004, as well as the expectation that the number of deaths in 2005 would remain low, are the factors the report gives to explain the decrease in bequest giving.

The complete *Giving USA* 2006 report can be purchased for \$70 by calling 847-375-4709 or downloading an order form at www.givingusa.org

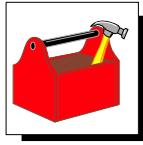
Corporate Giving Online Search Service

The New York-based Foundation Center unveiled an online search service, Corporate Giving Online, which for the first time, enables grant seekers and other researchers to easily locate corporate giving sources. The service offers current, detailed information on more than 2,700 company-sponsored foundations and nearly 1,400 direct corporate giving programs. Corporate Giving Online was designed to provide a variety of flexible options to search for current information on companies, their grant-making organizations and their grants and other types of gifts, including in-kind donations.

The service is available through monthly, annual and two-year subscriptions at cgonline.foundationcenter.org,

Advancing Philanthropy

www.afpnet.org



Tool: 10 Important Things to Know about Fundraising

By Kim Klein

Many times at the end of a training or a speech about fundraising techniques and principles, I am asked, "What are the most important things to remember?" Usually the person asking is either a volunteer with little time to help with fundraising, a person new to fundraising and overwhelmed by the number of details she or he has to keep in mind, or a staff person who is not responsible for fundraising but wants to help.

Over the years, I have thought about what I consider the ten most important things to know about fundraising. The items are not presented in order of importance, although #1 is probably the most important; nor are they in order of difficulty. If there is any order, it is the order in which I understood these things and integrated them into my own fundraising work. Undoubtedly, other skilled fundraisers would have slightly different lists, but this list has served me well for many years. I hope you find it useful.

1. IF YOU WANT MONEY, YOU HAVE TO ASK FOR IT

While there are some people (may their kind increase) who will simply send an organization money or offer money without being asked, there are not enough of them to build a donor base around. Most people will not think to give you money unless you make your needs known. This is not because they are cheap or self-centered; it is because most people have no idea how much it costs to run a nonprofit, or how nonprofits get money. If you don't ask them, they will simply assume you are getting the money somewhere. They have no reason to think your group needs money unless you tell them, the same way they have no reason to know if you are hungry, or unhappy, or needing advice.

Millard Puller, founder of Habitat for Humanity, says, "I have tried raising money by asking for it, and by not asking for it. I always got more by asking for it."

2. THANK BEFORE YOU BANK

Once you receive money, you must thank the person who gave it to you. I have found that disciplining myself not to deposit checks until I have written the thank-you notes has forced me to make thank-you notes a priority. I am not rigid about this rule because if I get behind in my thank-you notes, and then don't deposit the checks for a while, the donors may wonder whether we really needed the money.

Thank-you notes do not need to be fancy and should not be long. If at all possible, they should include a personal note, even if it is from someone who doesn't know the donor. You can add something as simple as, "Hope to meet you sometime," or "Check out our website," or "Happy holidays," or even, "Thanks again — your gift really helps."

Many organizations have created note cards for staff and volunteers to use when writing thank yous. The front of the card has the logo of the group, on the top half

of the inside is a relevant meaningful quote from a famous person, and the bottom half of the inside is used for the thank-you message. It is a small space, so you really can't say much.

Many databases will print out a thank-you note after you enter the information about the donor — saving valuable time. These are best if accompanied by a personal note at the bottom.

Late thank yous are better than no thank you at all, but photocopied form thank yous are almost the same as no thank you.

The long and the short of thank yous is: if you don't have time to thank donors, you don't have time to have donors.

3. DONORS ARE NOT ATMS

A survey of donors who gave away more than \$5,000 a year asked, "What is your relationship with your favorite group?" Several gave similar answers, even though they did not know each other and did not give to the same group. All the answers were on this theme: "I would love to be considered a friend, but I am more of an ATM. They come to me when they need money, they tell me how much, I give it to them, and the next time I hear from them is when they need more."

This is a terrible indictment of much of what passes as fundraising. When I have described this common situation in trainings, people have often asked, "How can we make sure our donors don't feel this way?" The answer is very simple, "Make sure you don't feel that way about your donors."

All groups have a few "high maintenance" donors, and may be forgiven for wishing them to go on a long trip to a place without phones or e-mail. But the majority of donors require practically no attention. They have the resilience of cacti — the slightest care makes them bloom. Thank-you notes, easy-to-understand newsletters, and occasional respectful requests for extra gifts will keep people giving year in and year out.

Think of your donors as ambassadors for your group. Design your materials so that donors will be proud to give your newsletter to a friend or recommend your group when their service club or professional association is looking for an interesting speaker, or forward your e-mails to several of their colleagues.

By treating your donors as whole people who have a number of gifts to offer your group, including their financial support, you will have more financial support from existing donors, more fun fundraising, more donors, and the peace of mind of knowing that you are not treating anyone as an object.

4. MOST MONEY COMES FROM PEOPLE, AND MOST OF THOSE PEOPLE ARE NOT RICH

There are three sources of funding for all the nonprofits in the United States: earned income (such as products and fees for service), government (public sector), and the private sector, which includes foundations, corporations and individuals. For the nearly 60 years that records about who gives money away have been kept, at least 80% of this money has been shown to be given by individuals.

In 2002, total giving by the private sector was almost \$241 billion, and 84.2 percent of that (\$202 billion) was given away by individuals! These people are *a//* people – there is no significant difference in giving patterns by age, race, or gender. Income is not nearly the variable that one would think: middle-class, working-class, and poor people are generous givers and account for a high percentage of the money given away. In fact, a study by Arthur Blocks of the Maxwell School of Citizenship and Public Affairs at Syracuse University showed that 19% of families living on welfare give away an average of \$72 a year!

Too often, people think they can't raise money because they don't know any wealthy philanthropists. It is a great comfort to find that the people we know, whomever they are, are adequate to the task. Seven out of ten adults give away money; focus your work on these givers, and help teach young people to become givers.

5. PEOPLE HAVE THE RIGHT TO SAY NO

One of the biggest mistakes I made early on as a fundraising trainer was not balancing my emphasis on the need to ask for money with the reality that people are going to say no. No one is obligated to support your group — no matter what you have done for them, no matter how wealthy they are, no matter how much they give to other groups, how close a friend they are of the director, or any other circumstance that makes it seem they would be a likely giver.

While it is possible to guilt-trip, trick, or manipulate someone into giving once, that will not work as a repeat strategy. People avoid people who make them feel bad, and they are attracted to people who make them feel good. When you can make someone feel all right about saying no, you keep the door open to a future yes, or to that person referring someone else to your group.

People say no for all kinds of reasons: they don't have extra money right now; they just gave to another group; they don't give at the door, over the phone, by mail; a serious crisis in their family is consuming all their emotional energy; they are in a bad mood. Rarely does their refusal have anything to do with you or your group. Sometimes people say no because they have other priorities, or they don't understand what your group does. Sometimes we hear no when the person is just saying, "I need more time to decide," or "I need more information," or "I have misunderstood something you said."

So, first be clear that the person is saying no, and not something else like, "Not now," or "I don't like special events." Once you are certain that the person has said no, accept it. Go on to your next prospect. If appropriate, write the person a letter and thank them for the attention they gave to your request. Then let it go. If you don't hear 'no' several times a week, you are not asking enough people.

6. TO BE GOOD AT FUNDRAISING, CULTIVATE THREE TRAITS

A good fundraiser requires three character traits as much as any set of skills. These traits are: first, a belief in the cause for which you are raising money and the ability to maintain that belief during defeats, tedious tasks, and financial insecurity; second, the ability to have high hopes and low expectations, allowing you to be often pleased but rarely disappointed; and third, faith in the basic goodness of people.

While fundraising is certainly a profession, people who will raise money for any kind of group are rarely effective. Fundraising is a means to an end, a way to promote a cause, a very necessary skill in achieving goals and fulfilling missions.

7. FUNDRAISING SHOULD NOT BE CONFUSED WITH FUND CHASING, FUND SQUEEZING, OR FUND HOARDING

Too often, organizations get confused about what fundraising is and is not.

If you hear that a foundation is now funding XYZ idea, and your organization has never done work in that area nor have you ever wished to do work in that area, the fact that you are well-qualified to do such work is immaterial. To apply for a grant just because the money is available and not because the work will promote your mission is called fund chasing. Many groups chase money all over and, in doing so, move very far away from their mission.

Similarly, if your organization seems to be running into a deficit situation, cutting items out of the budget may be necessary but should not be confused with fundraising. When deficits loom, the fund-squeezing question is, "How can we cut back on spending?"; the fundraising question is "Where can we get even more money?"

Finally, putting money aside for a rainy day, or taking money people have given you for annual operating and program work and being able to put some of it into a savings account is a good idea. Where savings becomes hoarding, however, is when no occasion seems important enough to warrant using the savings.

I know a number of groups that have cut whole staff positions and program areas rather than let money sitting in their savings be used to keep them going until more money could be raised. I know groups that overstate what they pay people, what price they pay for equipment, what they spend on rent, all to get bigger grants from foundations or larger gifts from individuals, and then put that extra into savings — savings that they have no plan for.

A group that saves money needs to have a rationale: Why are you saving this money? Under what circumstances would you spend it? Without some plan in mind, the group simply hoards money.

Fund-chasing, fund-squeezing, and fund-hoarding need to be replaced with an ethic that directs the group to seek the money it needs, spend it wisely, and set some aside for cash-flow emergencies or future work.

8. FUNDRAISING IS AN EXCHANGE — PEOPLE PAY YOU TO DO WORK THEY CANNOT DO ALONE

Hank Rosso, founder of the Fund Raising School and my mentor for many years, spoke often about the need to eliminate the idea that fundraising was like begging.

Begging is when you ask for something you do not deserve. If you are doing good work, then you deserve to raise the money to do it. What you must do is figure out how to articulate what you are doing so that the person hearing it, if they share your values, will want to exchange their money for your work. They will pay you to do work they cannot do alone.

9. PEOPLE'S ANXIETIES ABOUT FUNDRAISING STEM FROM THEIR ANXIETIES ABOUT MONEY

Anxiety about money is learned, and it can be unlearned. If you are ever around children, you know that they have no trouble asking for anything, especially money. In fact, if you say no to a child's request for money, they will simply ask again, or rephrase their request ("I'll only spend it on books"), or offer an alternative ("How about if I do the dishes, then will you give me the money?")

Everything we think and feel about money we have been taught. None of it is natural; none of it is genetic. In fact, in many countries around the world, people talk easily about money. They discuss what they earn, how much they paid for things, and it is not considered rude to ask others about salaries and costs.

We have been taught not to talk about money or to ask for it, except under very limited circumstances. Many of us are taught that money is a private affair. Having too little or too much can be a source of shame and embarrassment, yet money is also a source of status and power. Most people would like to have more money, yet most will also admit that money doesn't buy happiness.

As adults, we have the right — in fact, the obligation — to examine the ideas we were taught as children to ensure that they are accurate and that they promote values we want to live by as adults. Most of us have changed our thinking about sex and sexuality, about race, about age, illness and disability, about religion, about marriage, about how children should be raised, what foods are healthy, and much more. We have done this as we have learned more, as we have experienced more, or, as we have thought about what we value and what we do not. We need to take the time to do the same work with our attitudes toward money. We can choose attitudes that make sense and that promote our health and well-being.

Our attitudes toward fundraising are a subset of our larger attitudes toward money. The most important change we can make in our attitudes toward fundraising is to remember that success in fundraising is defined by how many people you ask rather than how much money you raise. This is because some people are going to say no, which has got to be all right with you. The more people you ask, the more yes answers you will eventually get.

Finally, if you are anxious about asking for money or would rather not ask, this is normal. But ask yourself if what you believe in is bigger than what you are anxious about. Keep focused on your commitment to the cause and that will propel you past your doubts, fears, and anxieties.

10. THERE ARE FOUR STEPS TO FUNDRAISING — PLAN, PLAN, PLAN, AND WORK YOUR PLAN

Though humorous, this formula that I learned from a community organizer underscores the fact that fundraising is three parts planning for one part doing. I learned this later in my career, after having gone off half-cocked into many fundraising campaigns and programs. I meant to plan, I planned to make a plan, I just never got around to planning.

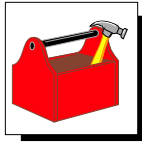
I have learned (usually the hard way) that an hour of planning can save five hours of work, leaving much more time both to plan and to work. Planning also avoids that awful feeling of "How can I ever get everything done," and that sense of impending doom. It moves us out of crisis mentality and means that we are going to be a lot easier for our co-workers to get along with.

There are a lot of articles and books on planning — I recommend reading some of them. However, the easiest way I have found to plan something is to start by defining the end result you want and when you want it to happen, then work backwards from that point to the present. For example, if you want your organization to have 100 new members by the end of next year and you are going to use house parties as your primary acquisition strategy, you will need to schedule five to seven house parties that will recruit 10 to 15 members per party.

To set up one house party will require asking three people to host it (only one will accept), which will require identifying 15 or 20 possible hosts to carry out the number of house parties you want to have. The hosts will want to see materials and know what help they will have from you.

The materials will have to be ready before the first phone call is made to the first potential host, and the first phone call needs to occur at least two months before the first party. So, the materials need to be produced in the next two weeks, hosts identified in a similar timeframe, calls made over a period of two or three months, and so on.

When you are tempted to skip planning, or to postpone planning until you "have some time," or to fly by the seat of your pants, just remember the Buddhist saying, "We have so little time, we must proceed very slowly."



Tool: Fund Development Plan

A Fund Development Plan is a guide for the board and staff to clearly outline how they will attain their revenue goals and needs for the fiscal year.

This document summarizes the key elements that go into a fund development plan. The goals for each category are to be set by the board. The board leads the fundraising efforts and is supported by the staff of the organization.

Budget Summary FY 2006-07

Total Expenditures	\$
Projected Earned Income	- \$ _____
Revenue Needed	\$ _____

Earned Income Projected for 2007: \$ _____

Earned Income is generated by the business of the organization.

Fundraising Need for 2007: \$ _____

Fundraising income is distinct from Earned Income. Earned income is generated by the business and programs of the organization; Fundraising is organized primarily by the Board of Directors. A combination of fundraising strategies creates a fund development plan to help the organization structure and sustain its fundraising.

2006 Fundraising Total: \$ _____

Annual Giving:

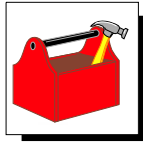
Major Gifts:

Events:

Grants:

Total Revenue Need for 2007: \$ _____

Total Revenue refers to the amount of income needed to sustain an organization and includes both earned income and fundraising income.

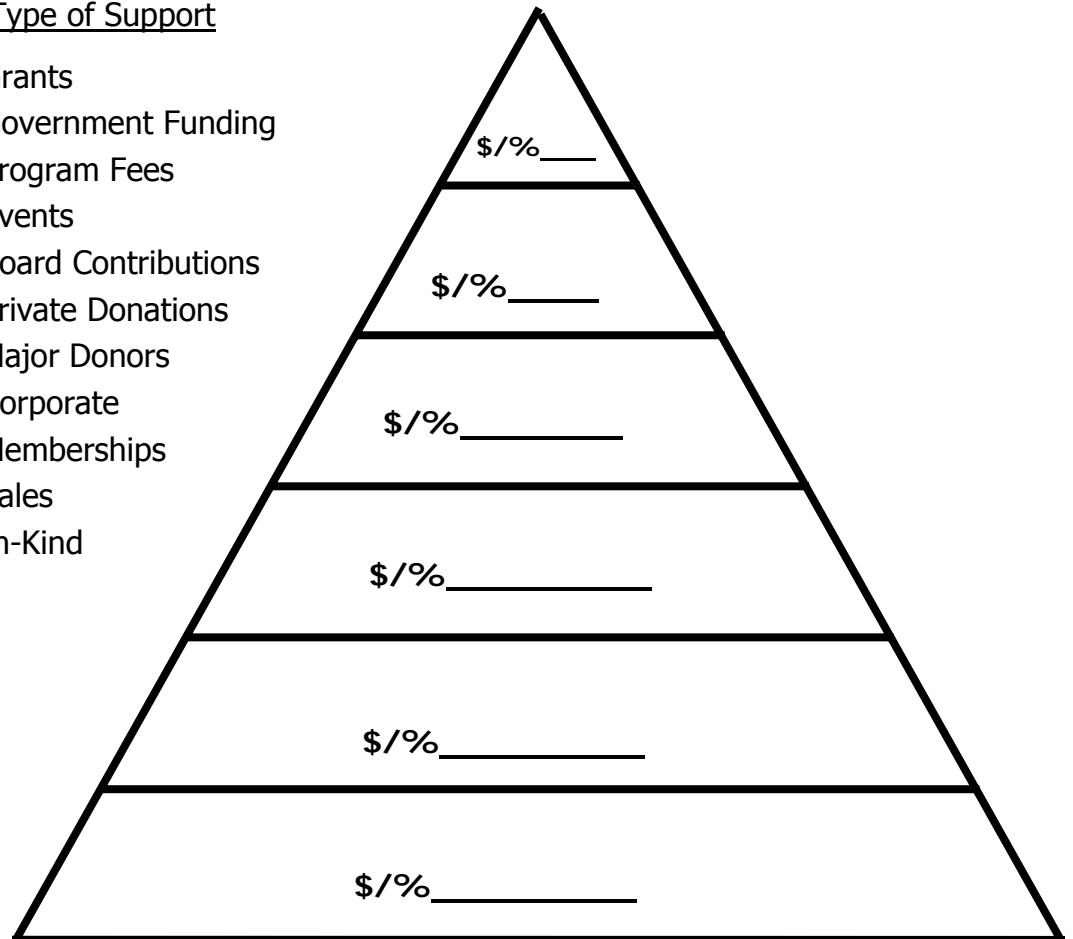


Tool: Strategic Funding Plan

Budget Gap Analysis

Type of Support

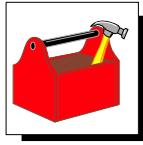
Grants
Government Funding
Program Fees
Events
Board Contributions
Private Donations
Major Donors
Corporate
Memberships
Sales
In-Kind



Total Annual Budget \$ _____

Base Funding Amt \$ _____

Gap: \$ _____



Tool: Major Donor Campaign

A pyramid diagram divided into six horizontal sections, each containing a dollar sign, a blank line, and a multiplication sign followed by an equals sign, for recording donor information.

\$ _____
_____ X =

\$ _____
_____ X =

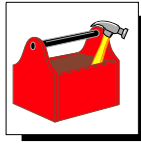
\$ _____
_____ X =

\$ _____
_____ X =

\$ _____
_____ X =

\$ _____
_____ X =

TOTAL \$ _____



Tool: Making the “Ask”

Six Fundamentals of Effective Fundraising Letters

The reason many donors cite for giving money? They were asked!

One of the most common methods that nonprofits use to raise funds is the appeal letter. Not only can an appeal letter bring in much needed funds, it can strengthen the connection with current supporters, reactivate lapsed donors, encourage more donors to become major donors, and increase the size of major donor gifts.

How effective was your last appeal letter to existing donors? If you didn't receive at least a 6% response from your mailing list, try using these six fundamentals for your next campaign.

1. Develop a unifying concept or theme

Your theme could be centered on a recent event (for example, last year we tied one client's fundraising letter to the national hurricane disasters); a major success; a compelling beneficiary story; or, a new program or population served.

2. Acknowledge your donor

We all want to be appreciated and feel that we are making an impact. Be sure to thank your donor within the first paragraph of your letter and let them know how their donations have made a difference to the clients your organization serves.

3. Make it easy to read

Studies have shown that the typical appeal letter has about 20 seconds to grab the reader before it ends up in the trash. Furthermore, 90% of donors start by reading your P.S. The key is to write a strong P.S. and compose the letter with subheads and brief paragraphs.

4. Tell an emotional story

Put a face on your organization with an upbeat story about how your organization helped a client. If confidentiality isn't an issue, use photographs and names of clients.

5. Personalize it

If at all possible, your envelope should be hand-addressed and hand-stamped, and the letter should be addressed to each donor by name. Personalizing your appeal has been shown to increase your response rate by almost 30%!

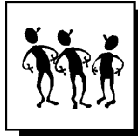
6. Create a stand-out reply card

Let's say your mailing has managed to stay out of the trash, piqued your donor's interest, but has been relegated to the dreaded bill pile where it may sit for weeks. Make it stand-out with a larger format, interesting graphics, and a summary of your appeal.



Point to Remember:

Communicate with your donors at least *four times a year*, including two appeal letters. The other two pieces can include a simple newsletter, or an update about your organization's successes. By reaching out to your donors on a regular basis, you will be building relationships that will help sustain your organization in the future.



Next Steps

What is the very first action step you will take, based on today:

- As a Board member?

- As the Executive Director?

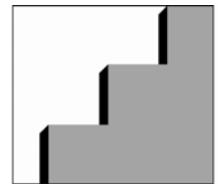


Recommended Reading List

- Begging for Change, by Robert Egger, HarperCollins (www.harpercollins.com)
- Boards That Make a Difference, by John Carver, Josey-Bass 2nd Ed.
- Self-Assessment Tool for Non-Profit Organizations, by Peter Drucker, The Peter Drucker Foundation for Non-Profit Management
- Welcome to the Board, by Fisher Howe, Josey-Bass
- The Nonprofit Answer Book: Practical Guide for Board Members and Chief Executives, by Andringa and Engstrom (available through Boardsource.org)
- The Nonprofit Answer Book II: Beyond the Basics, by R. Andringa, (available through Boardsource.org)
- Called to Serve: Creating and Nurturing the Effective Volunteer Board, by Max De Pree
- Governing Boards by Cyril O. Houle
- Beyond Profit by Fred Setterberg and Kary Schulman
- The Nonprofit Organization: An Operating Manual by Thomas Wolf
- The Knowing-Doing Gap by Jeffery Pfeffer and Robert Sutton
- Governance as Leadership by Richard Chiat, William Ryan, Barbara Taylor
- First Break All the Rules by Marcus Buckingham and Curt Coffman, Simon & Schuster, 1999

Capture your notes here





NEWLEVEL
G R O U P

Take the Next Step

About NewLevel Group...

Who we are

NewLevel Group was formed with a vision to strengthen our community by helping nonprofits and businesses take the next step in their development – whether the next step means launching a business, developing a board, or updating an existing brand. Our team is made up of seasoned professionals who look at challenges from various perspectives honed from decades of experience in the business and nonprofit sectors. We plan as well as implement, never losing sight of our goal to deliver your desired results.

What we do

First and foremost, we listen. We listen to you, your board, your clients, and your colleagues to fully understand the challenges you face. Then, we form a team that will partner with you to identify your goals, outline strategies to achieve them, and, if needed, work with you to implement the tactics.

How we do it

Our approach to helping organizations improve their results reflects our shared values of collaboration, commitment, and a focus on results. We are different from other consulting and management firms in several significant ways:

- We work collaboratively; not just treating symptoms, but finding solutions for the underlying causes.
- We implement; we don't just create pretty plans, but roll up our sleeves to help you get the job done.
- We're focused on results; a good process is important, but the outcome is what really matters.

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Footnotes

¹ William Ryan, Richard Chiat, Barbara Taylor, *Governance as Leadership*

² Adapted from Boardsource 2006

³ Adapted from Boardsource 2006

^{iv} Adapted from National Center for Nonprofit Boards Publication; Boardsource.org

^v Adapted from *Presenting: Board Orientation*