

Volume 15
Number 5
October 1996
\$4.20

Our 15th Year

Grassroots

Fundraising

Journal

In This Issue:

Better Board Meetings

1995 Giving: Largest Increase in Decade

Opportunistic Fundraising

Protecting Against Fraud

Guides to Foundation and Corporate Giving

Must the Poor Be with Us Always?

Writers' Guidelines

The Grassroots Fundraising Journal is happy to consider articles for publication. Please submit copy typed, double-spaced. If computer-generated, please submit highest quality printing possible (no dot matrix print-outs, please). Please do not submit material typed in all capital letters.

Articles will be considered for publication during the nine months following submission. When an article is accepted, you will be notified in which issue of the Journal it will appear, receive three copies of the published article, and \$75 per article after publication.

If you want unpublished articles returned, please provide a self-addressed envelope with adequate postage.

Subscription Inquiries

Grassroots Fundraising Journal
P.O. Box 11607 • Berkeley, CA 94712
TEL: (510) 704-8714 • FAX (510) 649-7913
E-mail: Chardn@aol.com

Advertising Rates

Classified:

\$.75/word, minimum 10 words

Display:

(width precedes depth)

1/8 page, 3 1/2" x 2 1/4"	\$75
1/4 page, 3 3/8" x 4 1/2"	\$150
1/2 page, 3 3/8" x 9"	\$250
1/2 page, 7 1/4" x 5"	\$250
Full page, 7 1/2" x 9 3/4"	\$400

Deadlines:

February issue: December 1
April issue: February 1
June issue: April 1
August issue: June 1
October issue: August 1
December issue: October 1

Camera-ready copy only. Full payment must accompany ad, unless other arrangements are made in advance.

In This Issue

A Few (More) Words on Better Board Meetings
Kim Klein

3

1995 Giving Shows Largest Increase in Decade
Kim Klein

7

Opportunistic Fundraising
Kim Klein

8

What Nonprofits Should Do
to Protect Against Fraud

10

Resources: Two Guides to Foundation
and Corporate Giving

11

Must the Poor Be With Us Always?
InterPares Collective

13

The Grassroots Fundraising Journal is a publication of Chardon Press and is published six times a year: February, April, June, August, October, and December.
ISSN No. 0740-4832.

Founding Publishers

Kim Klein and Lisa Honig

Publisher and Editor

Kim Klein

Associate Publisher

Stephanie Roth

Editor in Chief

Nancy Adess

Graphic Production

Cici Kinsman

Illustrations

Lisa Krieshok

Printed on recycled paper with soy ink
by Inkworks Press, Berkeley, CA.

Reprint Policy: Please call or write for permission to photocopy articles from the *Journal*. We usually grant permission to use an article at a board meeting or small seminar, but copyright for some articles does not belong to us. If you wish to photocopy articles in quantities of 50 or more, or to reprint articles in other publications, we charge a reprint fee of \$20.00 per article. Trainers and consultants who wish to use articles from the *Journal* should contact us to get permission for use and arrange reprint fees. Call 510-704-8714 or fax to 510-649-7913.

A FEW (MORE) WORDS ON BETTER BOARD MEETINGS

by Kim Klein

In 1987, I wrote an article called "A Few Words on Better Board Meetings." It doesn't seem to have had a great impact, since I have attended hundreds of board meetings since then and very few of them have been interesting or productive, even though almost all of them have had a wide representation of smart, committed and interesting people in both board and staff positions. So, where do meetings go wrong, and more important, what can we do better?

First we have to remember that everything about meetings—preparing for them, facilitating them, participating in them, taking minutes, and following up—involves skills that can be learned. We must teach one another these skills if we are ever going to get maximum results from the massive amount of time we spend in meetings. Second, all of the tasks involved in having productive meetings take time, and short shrifting any step causes much more time to be wasted than would ever be saved by cutting corners.

Let's go through each step of the board meeting to find ways to improve them.

Before the Meeting

First, make sure the meeting is really needed. Sometimes board members do not prepare for or participate in meetings because they have no clear sense that their presence makes a difference or that anything of import is going to be discussed. This could be because this meeting is not needed.

If you decide that the meeting is needed, then you must prepare for it. Generally, the board chair and the executive director prepare an agenda. I was at a meeting recently where the agenda read:

Agenda

- ***Welcome, Approve Minutes***
- ***Program Report***
- ***Finance Report***
- ***Director's Report***
- ***New Business***
- ***Set Meeting Date***
- ***Adjourn***

This is not an agenda. In fact, it would be hard to say what it is, except a waste of time and trees. An agenda describes everything that is known about the meeting ahead of time, assigning times to agenda items and describing them briefly. This is an agenda:

Agenda—July 11 6:45–8:45

Reception for new staff to follow for anyone who can stay.

- ***Welcome and overview of meeting:*** 10 minutes
- ***Approve minutes of last meeting:*** 5 minutes
Decision required.

- ***Program report:*** 20 minutes

Update on clearinghouse activities since last quarter, statistics on new and returning clients, and brief discussion of program activities coming up and how board members can be involved. *No decision required.*

- ***Finance report:*** 20 minutes

(We hope everyone will have reviewed the audit and the auditor's recommendations.) Treasurer's report on how the auditor's recommendations are being implemented. Review the first draft of the budget, (bring questions and input). *No decision required, but next meeting will require decisions about budget and program for next year; the discussion in this meeting will affect the proposals for next meeting.*

- ***Director's report:*** 1 hour

Meet our new organizer (note: reception for staff to follow this meeting); report on the national conference. Review of the strategic planning process: we will divide the board into committees for this process, set dates for reviewing the plan as it is forming, and make a final decision on the top five outcomes we want to see from this process, following up on the discussion from last meeting. *Decisions required.*

- ***New business:*** 5 minutes
- ***Adjourn***

What makes this a useful agenda for board members is assigning times to each section, annotating what will be discussed, and noting whether a decision will be required or not. In addition, the agenda could note what materials were being sent out to accompany it.

People often wonder how to arrive at time assignments. It's a guess based on past experience, but generally things take about as long as we say they will take. There is a psychological factor involved in thinking that you have only 20 minutes for a discussion as opposed to an open ended amount of time. Times can be renegotiated, if necessary, if an item proves to be more controversial than expected.

Probably few things are as frustrating to staff as having board members come unprepared to a meeting. Staff will diligently prepare for a board meeting and carefully send out essential advance material in plenty of time for board members to read it. But too often they are faced with one-quarter of the board members absent from the meeting, another fourth who forgot to bring their packets, and little evidence that anyone has read any of the conscientiously prepared materials. In fact, the rudest thing that board can do is to bring their unopened packet to the board meeting and open it in front of the staff who sent it out so that a knowledgeable, informed group of board members can make intelligent decisions about important items.

The problem is endemic to the structure of a non-profit. Board and staff members are operating from two different frameworks. Board members work for the organization in their "spare" or "free" time. Staff work for the organization using their "paid" time. No matter how well meaning, dedicated, sophisticated, compulsive, or responsible, board members simply will not (and unless they are professional volunteers, in fact, they cannot) expend the amount of time and effort that well-meaning, dedicated, responsible staff would like them to. However, there are some things that can be done to mitigate this problem.

If you want board members to read reports, budgets or other material in advance of the meeting, try sending them on the "installment plan." Instead of sending a huge pile all at once, serialize the materials and send several mailings. First, send the minutes, then a week or so later, the budget report, and a few days after that the agenda. Some board members will complain that they want all the material sent at once, and others will grumble about the postage cost of several mailings. Staff will not love spreading the mailings out like this, either. But people tend to read shorter, thinner packets rather than longer fatter ones. More board members will read more of the materials if you do it this way.

Another tip can be taken from what we know about direct mail—that people love to read about themselves more than anything else. Where possible in reports or

in the agenda, mention a board member's name. Also, add a personal note to the mailing, but not always on the front page of the information. For example, in a summary of two choices of program direction that the board must make, the staff might write to one board member "Your thoughts on this will carry a lot of weight with the group because of all your experience," and to another, "This was your idea last year, remember?" Once board members know that you place notes on page two or three, they will at least glance at the whole document to find the note, and then read the page the note is on. This may even cause them to read the whole document.

A final tip about materials: less is more. I am on a board of a national organization that sends a three-ring binder notebook before each in-person meeting (we meet twice a year in person and several other times by conference call). It is packed with information. For the last meeting, there were more than two hundred pages of information—reports, charts, graphs, budgets, income statements. Had I read it all (or even most of it, or even some of it more than right before the meeting) I would have been an exemplary and well-prepared board member. But I couldn't bring myself to start in on it. It was too overwhelming.

I am sure that staff people felt angry and demoralized as they kept having to say, "that's in your binder on page so and so" at every turn of the agenda. On the other hand, there were about 75 pages of reports that were not referred to in the meeting, and when another board member said, "When will we discuss these?", the answer was, "Oh, that's just for your information if you are interested."

So, while I spent a good part of the meeting berating myself for not being prepared, another board member spent an equal time berating herself for reading everything when so much of it wasn't going to be used in the meeting, and wasn't labeled as such. In the same way that the first question about every meeting should be, "Is it needed?", the first question about materials should be "Are they needed for the discussion that will happen at this meeting?"

Once board members know that you will refer to material sent, that the material is important and as concise as possible, and that each board member's experience and expertise are valued (as witnessed by the post-its and other personal notes), you will create a corporate culture in which board members prepare for meetings.

At the Board Meeting

The goal of the board meeting is not just to get the work done, but to have board members feel energized after the meeting and wanting to do more. So the atmosphere needs to be as pleasant and productive as possible. The following 12 steps will take care of that:

1. Hold the board meeting in a well-lighted (preferably natural light) place that is easy to find. If your office is overcrowded, don't have your board meeting there. Board members often volunteer their homes, but homes can be hard to find, and people feel they are a guest in someone's house rather than there to conduct important business. Preferably, have board members sit around a table where they can spread out papers and have their coffee or tea in front of them, see each other and be able to take notes. Community rooms at banks, church or synagogue basements, or school administration rooms are often available to community groups when not in use.

2. Have tea, coffee, cookies, fruit and other snacks available. If your board meets for the whole day, take a break for meals even if everyone eats together. Don't try to continue the meeting during a meal. It is better to shorten the meal break than try to conduct business over the crunching and munching of hungry board members.

3. Start the meeting on time, even if you do not have a quorum. Let the minutes reflect who was present, absent and who was late. You will only have to do this once or twice to get the message across that board meetings begin on time. Always end on time. If you haven't gotten through all the agenda, then you will have to use the last ten minutes of the meeting to decide what to do about the items left on the agenda. Unless it is an emergency, *don't ever ask if people mind staying.* No matter what they say, they mind, and they will show it in different but mostly unhelpful ways.

4. Be sure that everyone knows each other. This is particularly important for boards that meet infrequently, when board members come from far away, or when there are new board members. Take time to greet each other, introduce people again, etc. It is often helpful to have a simple icebreaker at each meeting, like, "Tell us your name, where you are from, and what you like to do in your spare time" or, "Tell one thing about yourself that no one here knows," or even something really simple, "What's your name and how was your day?"

New board members should be introduced with some formality by the chair or by the person who nominated them. This person should tell a little about them, as though they were introducing them to an audience. Then the new board member can say a couple of sentences about why they are happy to be on the board. Taking time for this will give a feeling of prestige to both new and old board members. Staff have an important role with names. Even though they are not leading the meeting, they can exert influence helpful to the chair. As each person comes into the room, staff should call them by name: "Hello, Carmen, how are you?" said in fairly loud voice will remind everyone of Carmen's name,

which some of them will have forgotten. Try to use board and staff members' names as often as possible. "I was just saying to Loretta that..." If you have a lot of board members, or a lot of new people, give out name tags.

5. Build in a few minutes before each agenda item for people to review the material related to that item. Even well-prepared people may not remember all that they thought about this item and others may have to sift through their papers to find the relevant material.

6. Have an alarm clock or wall clock visible to the whole group to help everyone stay conscious of time.

7. Build in 15-minute breaks every two hours.

8. Make sure that the person facilitating the meeting is skilled in some basic facilitation techniques. This may mean working with him or her ahead of time, or even sending the person to a training on running meetings.

9. Remember that people are often afraid to ask for clarification of things they feel they ought to know, or they think that everyone else knows. For example, a new board member who had not been on a board before did not know the meaning of the term "501(c)(3)." She thought people were talking about jeans, but did not see the relevance of Levi's 501's to the conversation, and so retreated in puzzlement. Finally, someone else asked what 501(c)(3) meant, saving her from having to do so, but also showing that it is rare for only one person not to know what is meant by some shorthand way of speaking.

If you are surprised that there is not more conversation on a topic or you are surprised that a certain person hasn't expressed an opinion, see if there is some set of initials or other jargon that may be blocking comprehension and clarify it. Discussions about budgets and financial reports are especially prone to misunderstandings, with "YTD" and "FY97" (year-to-date and Fiscal Year 1997) and the like. In staff reports, you see the use of initials to describe organizations you may be working with. "I met with ABC's director who going to get the whole DEF network to endorse this. That should make GHI take notice and probably JKLM as well." Half of your board members could be left out of a sentence like that. When seeking clarification, do not ask, "Does everyone know what SEIU is?" People who don't may not feel comfortable raising their hands. Simply say, "People will remember that SEIU is the Service Employees International Union and we are working with them on the Plant Closures Project."

10. With every item that will come to a decision, make sure that everyone has a chance to speak. If necessary, the person chairing the meeting should call on people. "Rosa, what do you think?" "Gary, we haven't

heard from you." For really critical or contentious decisions, go around the room and have everyone register their opinion.

11. Have a few extra copies of all the materials you sent ahead, but not enough so that people think you assume they would forget their stuff. Two or three extra copies should suffice.

12. Make sure the meeting ends formally. The chair should say something like, "This meeting is adjourned," or "That's all for today. See you on the 12th." Thank people for coming and working hard.

After the Meeting

Minutes should be prepared and sent within two weeks of the board meeting, no matter when the next meeting is. Staff should call and thank anyone who did anything extra to make the meeting go well, such as the people who brought the food, or arranged the place, or even people who really helped with the discussion. A staff person and the board chair should "debrief." How well did the agenda work? What things have to be on the next agenda? Is there any board member or staff person who was (or will be, if they weren't at the meeting) really unhappy with some decision, and who should talk to them about that? If anyone promised to send anyone anything, this should be done right away. If any dates were set that affect people not at the meeting,

they should be called immediately. Nothing should be left hanging.

Alternative Structures

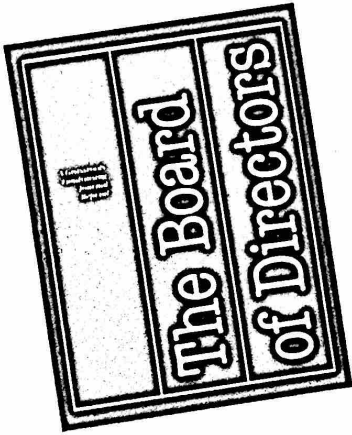
Throughout this article, I have made two assumptions that are not true of a significant minority of groups reading the *Journal*. One assumption is that you have paid staff. Since many groups are all-volunteer, then there is no line between staff and volunteer. Even so, meetings need to be prepared with the same attention to detail. You will have to divide up the tasks differently from groups with more clear divisions of labor. Organizations that have only one paid staff may be in the same position, where the board runs itself.

The second assumption is that the board has a chair or a president. Some groups run collectively, and choose their chair at each meeting. In this case, the group will need to decide which two or three people are going to get the next meeting ready. It will be the job of the person rotating into the role of chair to do what is described here. In some groups, the board and staff are the same, or the group doesn't have a formal board. When you bring together the primary voluntary leadership of your organization, you will need to pay attention to how the meetings are prepared for, run and followed up on. Don't let your alternative structure give you an excuse to run sloppy meetings or waste people's most precious non-renewable resource: their time. ■

Grassroots Fundraising Journal Reprint Series

The Board of Directors

Our best articles on one of the most basic issues facing community organizations today: how to develop a Board of Directors who are willing and able to raise money. 16 pp. \$10



- CONTENTS:**
- So You Want Your Board to Raise Money
 - Evaluating Your Board of Directors
 - Expanding Your Board of Directors
 - Earth to Board: Are We All Clear?
 - Advisory Boards: No Miracle Solution
 - 29 Ways for Board Members to Raise \$500

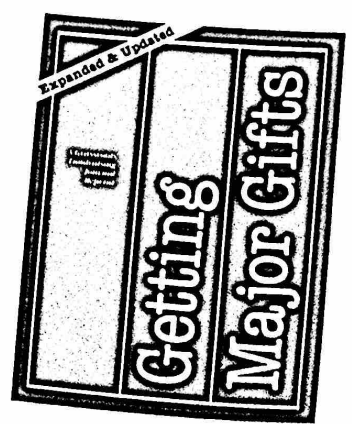
Use Order Form

Expanded & Updated

Getting Major Gifts

- CONTENTS:**
- Getting Major Gifts: The Basics
 - Getting Over the Fear of Asking
 - The Fine Art of Asking for the Gift
 - Responding to Put-Offs
 - Twenty Common Questions
 - Conducting a Major Gifts Campaign
 - Keeping in Touch with Major Donors
 - Going Back to Major Donors
 - Moving Up to the Big Gift
 - Stop Looking for Wealth

Ten of the best articles from the **Grassroots Fundraising Journal** on how to develop a major gifts program, find prospects and ask them for money, then ask them for more money. \$10



Use Order Form

1995 Giving Shows Largest Increase in a Decade

by Kim Klein

Charitable contributions of \$143.85 billion in 1995 surpassed the previous year's total by nearly \$15 billion, according to *Giving USA 1996*, the American Association of Fund Raising Counsel Trust for Philanthropy's annual report on philanthropic giving.

This probably represents a temporary increase and not the beginning of a trend due to two factors that most seemed to influence the increase. They were: 1) the soaring stock market (the Dow-Jones broke 5000 just as the year-end peak-giving season arrived); 2) Congressional discussions of tax policy proposals, many of which could reduce the tax advantages of future charitable giving. This uncertainty may have led people to include some gifts in 1995 that they would have made in 1996.

Giving broke down as follows:

Private Sector Total Giving: \$143.85 billion

SOURCES OF CONTRIBUTIONS	AMOUNT	PERCENT
Individuals	\$116.23	80.8%
Bequests	9.77	6.8%
Foundations	10.44	7.3%
Corporations	7.40	5.1%
WHERE THE MONEY WENT		
Religion	\$ 63.45	44.1%
Education	17.94	12.5%
Health	12.48	8.8%
International Affairs	2.06	1.4%
Human Services	11.70	8.1%
Environment/Wildlife	3.98	2.8%
Arts	9.96	6.9%
Public/Society Benefit	7.10	4.9%
Gifts to Foundations	7.43	5.2%
Unallocated	7.64	5.3%

The category "gifts to foundations" is a new one and reflects some very large and unusual contributions to foundations from individuals. Religious congregations continue to receive the most contributions, although their share of the total went down slightly, probably because a larger than average share of personal gifts

were made in the form of appreciated securities. These large contributions frequently go to foundations, charitable gift funds, and similar funding entities to establish or increase endowments.

This large increase in giving is both good and bad news. It is good news for those organizations that got more money, and it is particularly good news if it reflects more organized and skillful fundraising, which is a theory held by many in the profession. This theory would be hard to prove one way or another, but the way organizations are evaluating and systematizing their fundraising, and the fact that foundations are providing grant money to help nonprofits raise more money from individuals are both good signs that the theory is true.

The bad news about the increase in charitable giving is that it comes at a time when conservatives (including many members of Congress) have endorsed the notion that private philanthropy can take the place of many government-funded programs. The editors of *Giving USA* were quick to demur on this point. They noted that arts groups and social services agencies, which have suffered the most from government cutbacks, had far more trouble raising money than other types of charities. Ann Kaplan, editor of the report, said, "There is no evidence that this represents a surge in giving to quasi-governmental functions. We're not seeing the charitable sector grow to where it is a bigger share of the economy."

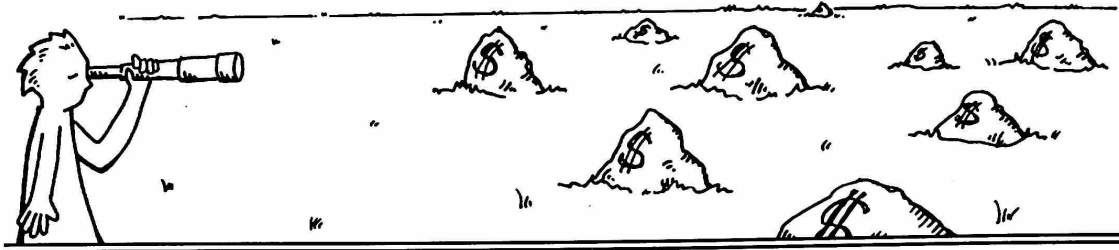
Further, giving to international aid went down by almost 7%, reflecting how important publicity is for those causes. As soon as international aid needs are not in the news, giving goes down even though the need has not waned.

Human service groups also experienced a slight drop in donated income, of two-tenths of a percent (0.2%). This represented a vast improvement over the previous year, in which giving to human services declined by 6.1%. Giving to the arts, and to cultural and humanities organizations kept pace with inflation, but did not show a net gain, rising 2.85%.

The fact that overall charitable giving, according to all experts (even strongly nonpartisan groups like the American Association of Fund Raising Counsel), cannot

Opportunistic Fundraising

by Kim Klein



Last Sunday I came out of a church service and saw two young women standing behind an ironing board with voter registration materials and information on an organization working to keep affirmative action in California. (Proposition 209, called the “California Civil Rights Initiative,” and nicknamed the “California Civil Wrongs Initiative,” will be on the ballot in November and will ask voters to negate all existing affirmative action laws in California.) The two women called out to all of us as we came out of church, “Are you registered to vote?” I said I was, and went over to their ironing board to see what materials they had. They told me about Prop. 209, and I agreed with them that it is an outrageous proposition and that their efforts to defeat it are very important. I had seen their materials before, and so I wished them luck and left.

For many people the simplest thing they can do to improve the world is give money.

These enthusiastic and committed women missed a chance with me and with everyone else coming out of church—the chance to raise some money. I have noticed this time and again. I want to point out here some ways in which fundraising needs to be one of the things people do in the midst of other organizing, speaking, marching, registering or other activities.

A fundamental principle of fundraising is that people pay you to do work they cannot do by themselves. In

this example, I cannot save affirmative action legislation by myself. I can vote against this proposition and get my friends to do the same. I can talk about it and march about it, but all of these actions are useless unless I am part of an organized effort with lots of other people acting similarly. In many cases, I don’t have time to march or organize, so I give money instead.

We miss hundreds of thousands of opportunities to involve people in our work when we do not ask them to do what is for many people the simplest thing they can do to improve the world: give money. The women registering people to vote need to ask all of us who are already registered, “Would you like to make a donation to help us defeat Prop. 209? Any amount will help.” They need to ask anyone that they register, “Can you help with a donation also today?” Sure, most people will say no, or will not say anything, but some will give \$1.00 or the change in their pockets and a few will give more or write checks. When collecting signatures for a cause, there is a rule of thumb that you should get an average of a dime a signature. It is useful to incorporate this thinking into all organizing—every time you mention a group or a cause you are involved in, figure out a way to bring money into the conversation. Think of getting a dime for every mention of the group.

Here are some ways you can do that:

1. **Wear a T-shirt from your group whenever possible.** When people comment on it, tell them they can have one too for a small donation of \$25 (or whatever.) I have five T-shirts in different colors from a group called SOCM (Save Our Cumberland Mountains). Somebody at my gym asked me if this was an important group to know about because she saw the T-shirt a lot. Since SOCM is in Tennessee and I am in Berkeley, CA, I am

fairly certain she is not seeing the T-shirt a lot, but is seeing me in several different colors of it. Nevertheless, I say (truthfully), "It is a very important group," and I tell her a little bit about it. I say, "If you would like to give, I can send you more information." "OK" she says and gives me her address. She may or may not give, but I have done my part, which is mentioned money.

*Tell people how great
your group is and how
important your work is.*

2. At dinner parties, when you are asked what you are doing, tell people how great your group is and how important your work is. Then you can casually mention that you are getting a lot more individual donors and that that kind of support really helps. You don't need to ask for money at the party—if you are like many of us, most of your friends are already giving, but just mentioning individual gifts reminds people about the importance of giving. Plus, you never know when someone will say, "I'm not a member of that group. How much does it cost to join?"

3. Consider turning your birthday, anniversary,

Christmas/Hanukkah, etc. into a fundraiser. Your invitations can say, "Instead of presents, please give a gift to Good Group." How much more stuff do you need? The funny thing is that people will often give more money to the group than they would have spent on a present. It is not always possible to tell people that you want them to give a donation in lieu of a gift, but let that be known about you. Tell people that a friend gave you a wonderful gift—a donation in your name to a group you like. Develop a reputation for that. You will have fewer dust catchers and your groups will be richer.

4. Always have brochures, newsletters and return envelopes about your group with you in your briefcase, at your house and in your car. That way, you always have materials to hand someone if the topic of your group comes up, which it will because you are going to bring it up.

Remember when you first fall in love? You find ways to mention the name of your lover all the time and to turn the conversation to that person in various subtle and not-so-subtle ways. It does not require effort—in fact not talking about the person requires effort. You can see the same phenomenon when a person has a new grandchild or even a new kitten.

Although it will take more discipline and is probably less thrilling than talking about new love, fundraising needs to be incorporated into your daily conversations. No one will mind and your group will be the richer for it. ■

"1995 Giving" continued from page 7

keep pace with government cutbacks needs to be the top news stories of all nonprofits. Even if we all improve our fundraising as much as possible, and people give more money than ever, it will not be enough. Only taxation can bring in the kind of money needed to sustain human services, arts, and other expensive and long-term programs.

This can be most clearly seen in a simple comparison. If a person gives away 10% of her or his income, we say "that's a generous person." However, if a person pays only 10% of their income in taxes, we say, "That person is not paying very much in taxes." Regardless of how generous or capable people are (which we remind ourselves are not related), few are going to voluntarily increase their charitable giving to 30% or 40% of their income.

Charitable giving is most useful under the following circumstances: 1) when it funds charities that hold government accountable, 2) when it funds organizations that do research or organize to change some aspect of law or society, 3) when it creates new responses to old

social problems that are later adopted by government, or 4) when private giving provides services and programs that it would not be appropriate or constitutional for the government to fund (such as programs of religious organizations, some aspects of education, and so on).

People who have recently attended my trainings or heard me speak will know that I am encouraging nonprofits, as part of their regular board meetings, staff meetings or community meetings, to discuss the broader role of nonprofits in the society and the roles of government and private funding for them. Many cutbacks in government funding are coming about because people do not know what the government's current role is in funding a lot of things we take for granted, for example, suicide hot lines, public parks, free art in the parks, etc. Helping to create an electorate informed and able to express opinions (not all of which I will agree with!) about the nonprofit sector may be one of the most important aspects of social change for the next few years. ■

What Nonprofits Should Do to Protect Against Fraud

The following article is reprinted, with permission, from the TACS Newsletter, the publication of Technical Assistance for Community Services, in Portland, Oregon.

Are nonprofits ever the victims of fraud? Yes, unfortunately. While the overwhelming majority of nonprofit staff and volunteers are honest, even a few acts of dishonesty can seriously impair a nonprofit's ability to carry out its mission. Beyond the direct loss of an embezzlement, the loss of donor confidence in the organization can be devastating.

So not only do you not want your bank account drained, you also want to be sure donors and funders have confidence that you are protecting the assets they are providing for your work. The truth is that there is virtually no cost-effective way to provide 100% certain protection against dishonesty. To achieve absolute protection, a nonprofit would be forced to divert resources away from services into elaborate guarding schemes.

But there are several simple steps each nonprofit should take to safeguard its resources. Beyond preventing dishonest acts, these steps provide important protection for all the many honest employees and volunteers who might be unfairly accused of improper actions.

Your auditor or board treasurer can help you tailor protections to meet your specific needs. Here are some simple steps to consider.

- **Minimize the use of cash:** Pay bills by corporate check and encourage clients and donors to pay by check whenever possible. Don't leave cash unlocked. Deposit all cash daily.
- **Be creative about the separation of duties:** Small organizations have a hard time following the basic rules of spreading financially related duties among different individuals—they don't have enough different people. These rules are designed to prevent one

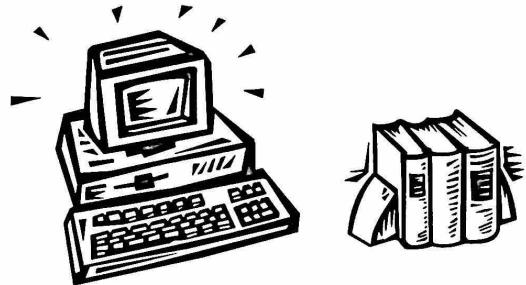
person from handling receipts, recording receipts, preparing checks, signing checks, producing reports, and handling the bank statements. Why? With all those roles, a dishonest person can take funds intended for the organization and cover up their theft by manipulating the reports.

Think about your situation like a detective. Figure out opportunities for a second person to detect any manipulations by a person with the multiple roles. Most important, be sure the second person reconciles the bank statement carefully and verifies that each entry in the organization's records is backed up by a record of the bank receiving the funds. Insist on the return of checks with your bank statement and have the bank reconciliation person review the actual checks for agreement to the organization's books and for valid signatures.

- **Compare actual revenue and expenses to budget on financial statements:** Use this strategy as a tool to know what both income and expense items are expected to be. Investigate line items that are very different from the budget plan.
- **Use the balance sheet as a clue:** Low cash, high payables, and high receivables may be signs that not all the organization's cash is making it to corporate accounts. Investigate shifts in balances in these accounts.
- **Require vacations for financial staff or volunteers:** Most cover-up strategies require the dishonest person to be present to prevent information from reaching those who could detect their "mistakes."
- **Consider bonding insurance coverage,** which will reimburse your organization for losses suffered through dishonest acts.
- **Beware of delays in getting financial statements:** Confusion and delay are common cover-up tactics. ■

Resources:

Two New Guides to Foundation & Corporate Giving



FC Search: The Foundation Center's Database on CD-ROM

For those *Journal* readers who approach foundations for funding, there is a new method for doing research—a CD-ROM that will give you access to the Foundation Center's entire universe of information about grantmakers and their grants. Even grantseekers with little or no experience using electronic fundraising tools will appreciate its sophistication and versatility. The Foundation Center promises that, with "FC Search," grantseekers will be able to accomplish in seconds work that now takes hours or days. This will free your time up to raise more money from individuals. FC Search will also be useful to grantmakers and consultants to the nonprofit field who may want to know who else is giving and to what in their fields of interest or geographic location.

This is the only CD-ROM that features up-to-date information on 43,000 US foundations and corporate givers, and the names of close to 180,000 trustees, officers, and donors who make funding decisions at these institutions. It also contains descriptions of more than 115,000 grants of \$10,000 or more awarded by more than 1,000 of the nation's largest foundations.

The price of FC Search—\$995—will rule it out as a resource for many groups, but given the cost of directories and time, it may be worth seeing about getting

together with a couple of other groups to purchase the CD-ROM in the network (multi-users at a single site) version. FC Search will also be available at more than 200 of the Foundation Center collections and can be used there for free. For more information, or to find out about a demonstration of the CD-ROM or to order, call the FC Search Hotline at 1-800-478-4661 or write to the Foundation Center, 79 Fifth Avenue, New York, NY 10003-3076.

Reversing the Flow: A Practical Guide to Bay Area Corporate Giving Programs

"Reversing the Flow," published by the Applied Research Center in Oakland, California, is available in both book and disk format. This is the only reference work compiling detailed information on more than 100 Northern California corporate donors. This classic book has been completely revised and updated. It covers the entire region of Northern California and also includes information on corporations that give in-kind donations. The disk requires Claris FileMaker Pro for MAC. In book format or disk the price is \$59.95, or you can buy them both for \$79.95. Add \$3.00 for shipping and handling. Order from: ARC, 1322 Webster St. Suite 402, Oakland, CA 94612. For more information call 510-465-9577. ■

ERRATA:

The Article "Ten Ways to Get More From your Printing Budget," in the June, 1996 issue was written by **Lincoln Cushing** of Inkworks Press. We apologize for omitting his byline.

"If you work for social change and you write proposals, this is the book to buy."
 —Gary Delgado, co-founder, Center for Third World Organizing

Grassroots Grants

AN ACTIVIST'S GUIDE TO PROPOSAL WRITING

Andy Robinson
 Foreword by Kim Klein

"If you work for social change and you write proposals, this is the book to buy."
 —Gary Delgado, co-founder, Center for Third World Organizing

Author and activist Andy Robinson describes in plain English just what it takes to win grants for social justice.

In *Grassroots Grants* you'll learn about:

- The pros and cons of chasing grants
- How grants fit into a complete fundraising program
- Designing fundable projects
- Using your grant proposal as a community organizing plan
- Grants research: how to find the money
- Developing relationships with foundation staff
- Building your proposal, piece by piece
- Grants administration and reporting
- The long haul: stamina, persistence, resilience

***Grassroots Grants* includes four complete proposals, plus suggestions from forty foundation staff who fund groups working for social justice, human rights, and environmental conservation.**

Yes!
 Please send me
Grassroots Grants.
 Enclosed is my
 payment for:

_____ Copies @ \$25/book* = _____
 postage/handling @ \$4 for 1st copy = _____
 \$3 for each additional copy = _____
 In California add 8.25% sales tax = _____
Total enclosed = _____

Credit Card MasterCard VISA Card # _____
 Orders: Exp. Date _____ Signature _____

Name: _____ Phone: _____

Organization: _____

Address: _____

City/State/Zip: _____

Send to Chardon Press: P.O. Box 11607 • Berkeley, CA 94712 • (510) 704-8714

*Discount available for orders of 5 or more books — use order form on pg 15.



PHOTO: MOLLY MOORE

During his sixteen years as a grassroots fundraiser and community organizer, Andy Robinson has written 100 successful grant proposals. Andy now provides training and consultation to nonprofits across the country.

Must the Poor Be with Us Always?

by the InterPares Collective

"If you have come to help me
You are wasting your time
But if you have come because your
liberation is bound up with mine,
Then let us work together."

— *Lilla Watson, Australian Aboriginal Woman*

Editor's note: The following article is not precisely about fundraising, but it is about what needs to be done about poverty and the redistribution of wealth. As such, it has an impact on most of our work and should be of interest to Journal readers.

InterPares exists on the assumption that fundamental social change is possible—if there is the political will. On this assumption we have worked for almost two decades with people from more than twenty countries who are trying to improve their lives and create alternatives that can nourish and sustain their communities. Thousands of Canadians have participated with us in this work, generously assisting through their donations and moral and political support.

Yet we confront ourselves with a painful question, a question that we know our supporters share: is the world a better place for all that? If we can face the truth, we must admit that no, the world is not a better place. Indeed, in many respects it is worse. At the same time, we believe that our activism does make a difference.

Does this make sense? We think so. But to see the sense of it, we have to challenge some common notions that most people take for granted, and that lie at the heart of conventional thinking about global development.

One assumption is that development is a straight line from a simple and primitive form of social and economic organization to a higher and more complex form. A second likens development to climbing a ladder in which each step brings a higher "standard of living," measured in income and domestic goods. A third assumption accepts that the best that progress can achieve is "the greatest good for the greatest number." A final assumption, least often challenged, is that not all persons can share the benefits of development: that the poor will always be with us.

These assumptions have justified two parallel types of international-development activity: the investment of donated and loaned aid dollars in large projects of mod-

ernization and national economic productivity; and ongoing humanitarian assistance to provide basic needs such as food and primary health care to the poorest of the poor. The assumption is that the growth in national productivity will bring economic benefits to the majority, while humanitarian aid will alleviate the worst effects of poverty for those not yet able to escape its grip. It only seems to be common sense.

But the reality is that increases in national productivity have not led to increases in national wealth, but rather to deteriorating economies and increases in national debt. This debt has not been carried by the wealthy who benefit from the investment in national development, but by the increasing numbers of poor who have been displaced from their traditional livelihoods.

Development does not necessarily benefit the poor.

The affluent have become tremendously more affluent. But those in the middle have joined the ranks of the working poor and have to struggle against a continued erosion of their earning capacity. And the poor have become even more mired in their poverty, sinking below even the most minimal standards of human survival. This is the effect seen throughout the Third World, and familiar to many Canadians who see some of the same effects in their own communities.

Development scientists and politicians call this progress. They justify the human costs as an inevitable temporary outcome balanced by the ultimate promise of a greater good that lies in "progress" and economic growth. This is seen as common sense. In spite of our experience. In spite of the evidence of our eyes.

And what does the evidence of our experience tell us? That development does not necessarily benefit the

Back Issues

Use order form on page 15

VOLUME ELEVEN

Number 1 (February 1992): Essential Ingredients in Planning Fundraising; 10 Keys to Selecting a Mailing List; Book Reviews; State of the *Journal*.

Number 2 (April, 1992): Building a Donor Base; How to Run a Multi-List Mailing Party; A Small Town Tackles a Big Project; Book Reviews.

Number 3 (June 1992): The Thank-You Note; Building Multi-Racial Organizations; Underwriting; Profile of a Mentor: Hank Rosso.

Number 4 (August 1992): Voluntary Fees for Service; Keeping Track of Information, Part 1; Child-Powered Fundraising; Why Good Fundraisers are Never Paid on Commission; Profile of a Major Donor.

Number 5 (October, 1992): 28 More (and Easier) Ways for Board Members to Raise \$500; Some Straight Talk on Corporate Funding and Community Organizations; Everyone Wins at Our Fundraiser; Profile of a Major Donor; Report from the Road.

Number 6 (December 1992): Budgeting for Fundraising; Corporate Philanthropy; Keeping Track of Information, Part 2; Gifts with Strings Attached; Book Review.

VOLUME TWELVE

Number 1 (February, 1993): But Will They Open the Envelope; Seeking Corporate Support; The Bowl-a-Thon; Profile of a Major Donor Couple; Report from the Road.

Number 2 (April, 1993): The Fundraising Letter; Getting Your Share of Workplace Giving; Report from the Road.

Number 3 (June, 1993): Do You Have an Effective Board of Directors?; The Reply Device; What Good Givers Do; Report from the Road.

Number 4 (August, 1993): How to Develop a High-Dollar Giving Club; In the Public Eye; Book Review: 999 Tips, Trends and Guidelines; Profile of a Major Donor; Report from the Road.

Number 5 (October, 1993): Dealing with Staff Discord; When Money Isn't the Problem; Fundraising in October; Getting Off Direct Mail Lists; Report from the Road.

Number 6 (December, 1993): Take Advantage of December; The First Staff Person; Clean Up Your Language; Free Software; Book Reports.

VOLUME THIRTEEN

Number 1 (February, 1994): Losing Your Funding: How to Cope; Two Magic Words; How to Create an Ad Journal, Part 1; State of the *Journal*.

Number 2 (April, 1994): Special Events, Part 1; How to Create an Ad Journal, Part 2; The Phantom Event; The Letter-Writing Party.

Number 3 (June, 1994): Special Events, Part 2; Why People Give; Mission-Driven Fundraising; Building the Upgrade Ladder; Multi-Event Fundraising.

Number 4 (August, 1994): Creating An Annual Report; How to Raise the First (or Next) \$50,000; the Cookbook Fundraiser; Book Reviews.

Number 5 (October 1994): Ten Mistakes You can Avoid; How Hard Should You Be Working?; All it Took Was Chutzpah; Book Review; Acknowledging Contributions.

Number 6 (December, 1994): The Pitfalls and the Promise of Telephone Fundraising; Fundraising and Organizing: Sisters in the Struggle; 1993 Trends in Philanthropy.

VOLUME FOURTEEN

Number 1 (February, 1995): Recruiting Better Board Members; Choosing a Telephone Fundraising Vendor; State of the *Journal*; Book Review.

Number 2 (April, 1995): Effective Return Envelopes; When Nonprofit Staff Mess Up; When in Doubt, Think; The Annual Planning Calendar; Book Review.

Number 3 (June, 1995): Feeding the Homeless and Other Nonprofit Fundraising in the '90s; Don't Just Stand There, Say Something; The Corporate Volunteer Connection.

Number 4 (August, 1995): Thinking of Starting an Endowment? Raising Money for the Right to Vote; Tax Consequences of Newsletter Ads.

Number 5 (October, 1995): Starting an Endowment, Part 2: Preparing for an Endowment Campaign; Major Donor Cultivation: Steps to Success; Plan a Comprehensive Media Campaign; Book Review.

Number 6 (December, 1995): Where Have All the People (and their Dollars) Gone?; Grants: The Pros and Cons; Planning the Mother's Day Luncheon; Book Review.

VOLUME FIFTEEN

Number 1 (February, 1996): State of the *Journal*; Fundraising and Equity; Fifty-five Ways for Board Members to Raise \$500; "What I Gave, I Have"; Book Review; Special Section: *Journal* Index.

Number 2 (April, 1996): Creating An Endowment: The Solicitation; The Mother's Day Luncheon, Part 2; Everything I Know about Giving I Learned from a Bushel of Vegetables.

Number 3 (June, 1996): Making the Most of Your Anniversary; Donors are Not Water Faucets; Get More from Your Printing Budget; We Need Money Fast; National Network of Grantmakers' Common Grant Application; Donated Supplies for Nonprofits.

Number 4 (August 1996): Starting An Endowment, Part 3: Feasibility Studies, The Importance of Upgrading, Thanks for Telling Us: Report on the *Journal* Survey, Profile of a Major Donor: From Family Business to Family Gift.

"Must the Poor Be With Us Always?" continued from previous page

poor. Development benefits the poor only when the goal of development is not simply the creation of wealth, but the redistribution of wealth. Development does not necessarily protect and assist local communities. It does so only when its goal is to nurture these communities and the economies that sustain them.

When we aim only for a greater good for the greater number, we not only write off the poorest and most vulnerable; we actually make the poor pay for the progress in which they have no share and that destroys what little heritage and economic power they have.

The poor are not an effect of Nature. The poor are a product of the modern course of development itself. They are impoverished by progress. The development era has created poverty, and deepened poverty, for hundreds of millions. Yet we have come to see poverty and the grim images of the starving poor as a natural phenome-

non of which development is a cure, rather than a cause.

The response? We must remain activists for change in defense of the poor. Over twenty years we have seen the emergence of a powerful movement for popular participation in global development and change. Tens of thousands of organizations are working throughout the world to confront the irrational and conventional assumptions of the powerful and affluent. They are asserting a new common sense, a new logic: a logic of the poor. In support of this movement, our activism does make a difference. And we must continue to make a difference—if we believe in change. Our world depends upon it. ■

InterPares works overseas and in Canada in support of self-help development groups, and in the promotion of understanding about the causes, effects, and alleviation of under-development and poverty.

The Classic How-To Fundraising Text...

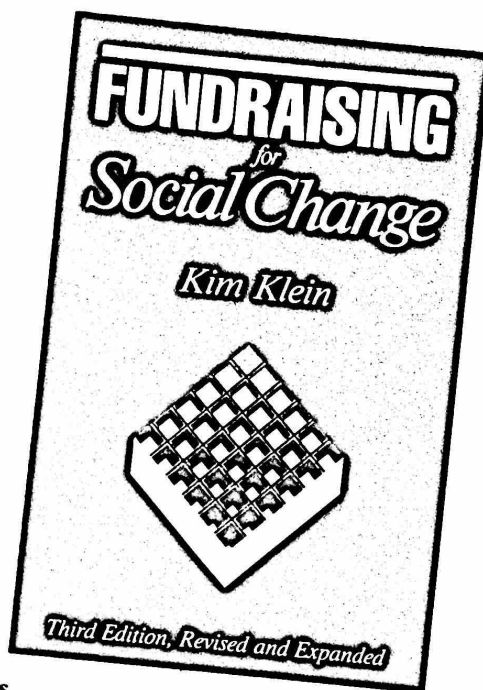
Fundraising for Social Change

By Kim Klein

Everything you need to know to raise money successfully from individuals. Now in its Third Edition. Completely revised and expanded. Learn how to:

- Motivate your board of directors
- Analyze your constituency
- Use direct mail techniques successfully
- Plan and implement major gifts campaigns, endowments and planned giving programs
- Deal with anxiety
- Use computers for fundraising
- And more.

Use order form below. Special discount prices for orders of 5 or more books.



ORDER FORM

Grassroots Fundraising Journal

SUBSCRIPTIONS

Please allow 6 weeks for processing new subscriptions.

- United States 1 year @ \$25 _____
 2 years @ \$48 _____
 3 years @ \$70 _____
- Canada & Overseas 1 year @ \$32 _____
 2 years @ \$62 _____
 3 years @ \$91 _____

SUBTOTAL: \$ _____

There are no tax or shipping charges for subscriptions.

Books

- Fundraising for Social Change**
 by Kim Klein (ISBN 0-9620222-3-3)
 _____ 1-4 copies @ \$25 each _____
 _____ 5-9 copies @ \$20 each _____
 _____ 10+ copies @ \$15 each _____
- Grassroots Grants**
 by Andy Robinson (ISBN 0-9620222-5-X)
 _____ 1-4 copies @ \$25 each _____
 _____ 5-9 copies @ \$20 each _____
 _____ 10+ copies @ \$15 each _____

SUBTOTAL: \$ _____

Shipping/Handling Charges

ORDER TOTALLING	SHIPPING FEE
\$ 10.00 - 25.00	\$4.00
\$ 25.01 - 50.00	\$6.00
\$ 50.01 - 75.00	\$8.00
\$ 75.01 - 100.00	\$10.00
\$100.01 or more	10% of order
<input type="checkbox"/> 2nd day air	+ \$5.00
<input type="checkbox"/> Overnight	+ \$10.00

Please allow 4-6 weeks for delivery.

Overseas (Including Canada & Mexico):
 For each shipping & handling level above, multiply by 2 (Payment in U.S. dollars only).

SPECIAL EDITIONS: \$10 EACH

- The Board of Directors _____
 Getting Major Gifts _____

BACK ISSUES

- All Available Back Issues: \$150 _____
 Individual Back Issues: \$4.20 each _____
 Single articles not available.

QUANTITY	VOLUME & NUMBER	COST
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SUBTOTAL: \$ _____

Special Editions/Back Issues: \$ _____ + Books: \$ _____ = \$ _____

In CA add 8.25% sales tax \$ _____

Shipping & Handling (see chart above) \$ _____

SUBSCRIPTION \$ _____

TOTAL AMOUNT ENCLOSED: \$ _____

Name _____

Organization _____

Address _____

City/State/Zip _____

Change of Address: Enclose mailing label and write new address above.

Credit Card Orders: MasterCard VISA Card #: _____

Expiration date: _____ Signature: _____

Make checks payable to: **CHARDON PRESS**, P.O. Box 11607, Berkeley, CA 94712
 Phone: (510) 704-8714 Fax: (510) 649-7913 E-mail: Chardn@aol.com

Grassroots Fundraising Journal

P.O. Box 11607

Berkeley, CA 94712

Address Correction Requested

BULK RATE
U.S. Postage

PAID

K/P Corporation
94578

