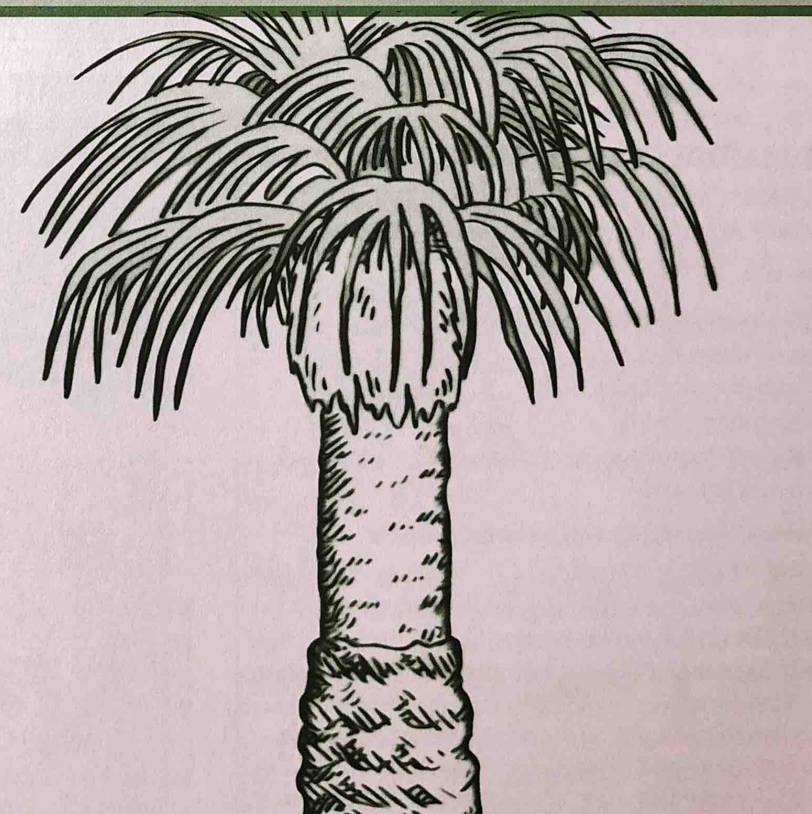
VOLUME 18
NUMBER 1
FEBRUARY 1999

Grassroots Fundraising Journal



IN THIS ISSUE:

IN THIS ISSUE VOLUME 18: NO. 1

SUBSCRIPTION INQUIRIES

Grassroots Fundraising Journal
3781 Broadway • Oakland, CA 94611
PHONE: (510) 596-8160 • FAX: (510) 596-8822
E-MAIL: chardon@chardonpress.com
WEBSITE: www.chardonpress.com

The Grassroots Fundraising Journal

is a publication of Chardon Press and is published six times a year: February, April, June, August, October, and December.

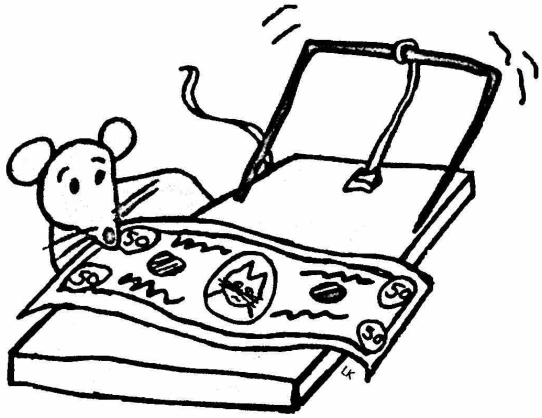
ISSN No. 0740-4832.

Founding Publishers: Kim Klein and Lisa Honig
Publisher and Editor: Kim Klein
Associate Publisher: Stephanie Roth
Editor in Chief: Nancy Adess
Graphic Design & Production: Cici Kinsman /C² Graphics
Illustration: 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 25 or more, or to reprint articles in other publications, we charge a reprint fee of $20 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) 596-8160 or fax to (510) 596-8822.

CHARDON PRESS
Oakland, CA



Security
The Ultimate Trap

By Kim Klein

Last October, a shelter for battered women in Oakland, called A Safe Place, celebrated its twentieth anniversary. I was one of the four women who had founded that shelter, and we were honored at a gala event. The event brought up many memories of early fundraising adventures with this group, one of which is how we got our first building.

In the 1970s, rents in Oakland were skyrocketing. A lot of organizations were having a hard time finding affordable, decent space and, since we needed an apartment building or a house with six or seven bedrooms and three or four bathrooms on a busy street near public transportation, we were having a harder time than most. Ideally, there would also be some kind of fenced yard for the children, and a space that could be made into an office. Moreover, we needed a landlord who either was not going to ask too many questions about all the comings and goings, or was going to be supportive of us.

From a property owner's viewpoint, renting to a domestic violence program isn't your smartest financial move. With so many people in and out of the place, the walls and floors tend to be hard used. Occasionally, when an abandoned male partner finds the shelter, there can be a shooting, and even without violence the neighbors may complain about all the activity.

We searched for a long time and found nothing that would work. Finally, by chance, I met a woman I'll call Carolyn who had just come into a small inheritance. She said she wanted to help our program financially, but didn't want to give away any of the principal of her money. She thought she might invest the money and donate the interest to the shelter. I thought of something even better: She could buy a building and rent it to us for no more than the payments on the mortgage. This would stabilize our building costs, give us a supportive landlord, and give her an investment that would appreciate in value. Both Carolyn and the Safe Place collective (as we were then organized) were delighted with the plan.

Though happy to help in this way, Carolyn was also anxious about our ability to pay the mortgage and asked me about it three or four times a week. I assured her I believed we could meet the payments. It was true we didn't have any money in the bank, but we were raising money as fast as we could. I knew we lived on the edge and sometimes had to postpone paying our tiny staff, but yes, I believed we could pay the rent.

The week before the first payment was due, we moved in. It was a great set-up for us and we were thrilled. Carolyn called me several times to remind me of the due date for the first payment. The night before we were to have a check to Carolyn by 9 a.m., I went to a meeting at the new office. "I thought I would just take the check to her house tonight," I said, "so that she can stop worrying."

"The problem is that we don't have all the money right now," said the treasurer. "I thought you had some plan for getting the money."

"Me? I have been busy arranging this building and talking to Carolyn what seems like every five minutes. When would I have time to get this money? I thought you had a plan for getting this money."

We would have gone on playing "search for the guilty party" for a lot longer, but a sensible member of our collective said, "Whatever anyone thought doesn't matter because we don't have the money and we have about 16 hours to get it, during 8 of which people will be sleeping. Let's think of something right now."

With that, we made and implemented an immediate plan. There were five of us in the room and we needed $900 (a fortune at that time). We would call all our friends and hope that enough of them were home and feeling generous so that we could raise the money that night. One person refused to call, so she was put on pick-up duty. Her job was to drive around and pick up the checks. She called in from pay phones every half hour and we told her where to go next. In the next three hours, we raised the $900, mostly in gifts of $25 and $35, but one generous soul gave $100, and three people gave $50.

When I look back on that experience, I am amazed that both I and the group were so casual about the money we had promised. I wouldn't advise groups to operate like that — in fact now I would think it was irresponsible.

Yet that capacity to take big risks, live at the edge and have the confidence that we would pull this out of the water was very important. I have lost that confidence to some extent and I feel sad about it. And I feel sorry for my colleagues who have lost it altogether, and who now measure every financial move against the litmus test of security.

Don't get me wrong. Security is a good thing, but the desire for it becomes a problem when it overshadows an organization's commitment to its mission.

Searching for Security

There are many ways that the search for security plays out in organizations; most of these ways fall into three categories, which we will explore briefly here:

1. The organization insists on a level of financial security that few individuals could ever aspire to, and amasses more and more money into various kinds of savings: restricted funds, reserve funds, endowments. This type of organization confuses fund raising with fund amassing.

2. The opposite of #1, but coming from the same motive: The organization keeps their costs very low and sacrifices quality of work and staff morale to save money. This type of group confuses fund raising with fund squeezing.

3. The organization drifts into financial security because of success in raising money. Over time, they change the course of their work because they discover they can attract funding for projects they did not originally set out to do. They confuse fund raising with fund getting. (See the sidebar on page 5 for a case study of this type of group.)

It is easy to see why people in organizations have made security such a high priority. First of all, all through the nineties we have read various doomsday scenarios about the future of the Social Security program, the imminent collapse of the health care system, and the overload of all social service agencies under the multiple burdens of more people to serve and less money with which to serve them. These articles and news reports often appear side-by-side with stories of our booming economy and lower unemployment statistics. All this conflicting information makes us insecure, and makes us want to try to exert some control over our financial futures, both individually and organizationally.

Further, it is much more expensive to run an organization now than it was ten or fifteen years ago. Even tiny organizations have a hard time functioning without computers, fax machines, e-mail and other time- and labor-saving devices (which, ironically, have saved neither time nor labor). In addition, some groups have brought their wages up and added health and other benefits, creating a laudable, though expensive, rise in their payment packages.

To deal with this increase in costs and the general financial insecurity that seems to pervade our nonprofit culture, grassroots groups now spend hours creating investment policies or deciding whether to buy board liability insurance. Some groups don't think they are fiscally sound unless they have a full years' worth of funding lined up and six months' worth of operating costs in the bank. And more and more groups are creating endowments.

There is also the common trap of "raising money" by "saving" it—the opposite of increasing costs through infrastructure, wage and benefit raises. Under pressure from their board to present a balanced budget and show a healthy reserve, executive directors will postpone projects, hirings, wage increases, printing jobs, or anything else that will make the money go out more slowly. In the name of fiscal prudence, every expenditure is scrutinized and staff and board are constantly asked to try to "find someone to donate it." Organizations endure aged computers that cannot accommodate new software, office space that is dismal and depressing, and wages that are simply too low. In a recent study of benefits paid by nonprofits, only 71% had health insurance for their employees — a disgracefully low percentage.

Saving money does not equal fiscal prudence. In fact, in examining organizations with this mentality, we usually find two kinds of staff — those who have been at the organization for many years, and those who come and go within 12 to 18 months. Those who have stayed seem noble and self-sacrificing until we look closer and discover, as a friend of mine says, that they have a "financial fall-back position." These long-term staff either have a small inheritance, are married to someone who earns a decent (not necessarily high) salary, belong to a religious community that will provide for them in their retirement, or in some other way do not entirely depend on their income from their job in the nonprofit sector for their financial well being. In organizations of this type, the pool of potential workers is narrowed to those who are starting out or those who have other sources of income.

There is an implicit assumption that with enough money, you will feel secure, yet few groups ever feel secure no matter how much money they have. The quest for financial security, whether it takes the form of raising more and more money to be held in reserve, or spending less and less money till every dollar is squeezed to death, is an illusion that dampens creativity, enthusiasm and good work.

With all of this focus on finances, a discussion of a new project revolves less around whether it needs to done because it is the mission of the group and will be successful than whether it will accrue funding to the group. These are obviously serious over-reactions to financial insecurity.

I hasten to point out that I am not against setting aside money in reserve nor am I against creating endowments. I am not against saving money and getting maximum mileage from each dollar. And I am not against success or changing what you do to meet new needs or trying new

Morphing the Mission

Five people start a tenants rights group in a poor, rundown neighborhood in a large city. The group operates out of the basement of a church. The five founders are two students, two tenants from one particularly awful apartment building and one long-time housing activist. They target the apartment building of the two tenants and, after unsuccessful efforts to negotiate improvements with the absentee landlord's representative, organize a rent strike. This move brings a lot of publicity and, after only two months, the landlord agrees to the group's demands. Heartened, they go on to the next apartment building.

As an all-volunteer group, they raise money by passing the hat at tenant organizing meetings. Occasionally their publicity garners them some unsolicited donations. They are fiscally sponsored by the church they meet in, and their needs for money are small.

One day, the secretary of the church calls one of the students to tell her that the group has received a gift from a foundation for $10,000. The group is ecstatic and overwhelmed by these unsolicited funds. At their next meeting, they discuss how to spend the money. They decide to hire an organizer and to see if they can get more grants.

They hire a person to work half-time, but he has no experience organizing. He does, however, have a decent amount of experience writing proposals, so that is what he does. His proposal writing generates another $45,000 in grant funding. His staff position becomes full-time and the group rents a small storefront office in their neighborhood. The founders continue their organizing work in two apartment buildings. In both cases, the landlords do not want bad publicity and so make many of the improvements the tenants demand.

Now having a full-time staff person and a storefront office, with all the costs involved in both, the group must pay much more attention to money than it did when theirs was an all-volunteer effort. Many meetings go by at which the main topic is money. The groups needs a financial plan, the staff person needs an assistant, the group needs a new computer and fundraising software.

With three organizing successes under the group's belt, the staff person thinks they can get money to write a manual on how to do tenant organizing. Selling the manual will create an income stream. Everyone agrees this is a good idea, and so he seeks funding for that project.

The foundation most likely to fund such an enterprise says that the manual would be more useful if there were a research component to it. The research would examine what percentage of people live in substandard housing in the area the group serves, and include statistics on the average age, income, family size, family make-up and race of the tenants along with profiles of the landlords, and so on. The staff person doesn't see the point of this research, some of which has already been done, and the results of which would probably not be that surprising. But he asks how much money the foundation would be willing to put forward for this research along with the manual, and the program officer says she thinks about $75,000 a year for two years.

Everyone agrees that, although the research is not going to be that helpful, there is no point in turning down money, and it will get the manual written. They hire a research firm, which tells them that the research is not going to objective if the group doing the research is also the group doing the organizing. The firm suggests spinning off the tenants' groups in each apartment building and not doing any organizing for a few months until the research is completed.

The core group of organizers has now dwindled to two: the students have graduated and moved on, and the housing activist now has a very demanding job and no time to spare. The tenants who are left turn to the staff person for direction. At this point, he comes up with a new vision for the organization as an independent entity. He suggests that the group get its own tax-exempt status and become independent of the church, developing its own board of directors. They agree.

Meanwhile, a foundation that he had applied to for a community organizing project several months before the research grant was awarded contacts him to say that they are interested in his proposal, but do not like to fund community organizing. They wonder if the group would be willing to change the project to some kind of leadership development training. They apply for and receive a large grant to do leadership development.

We leave this group at the point they decide to hire two more staff and move to a bigger office in a nicer neighborhood. They move out of their original neighborhood where they had done tenants' rights organizing and continue to this day doing research, writing, publishing and training on issues related to community organizing, tenants rights and issues in urban low-income neighborhoods.

This group is now financially stable and their publications and training programs are useful. There are no longer any tenants involved in this organization, which along the way changed its name to Fair Housing for All (FHA).

approaches to old needs.

What I am against is making decisions based on finances alone. Organizations should be mission driven — every decision framed in terms of the mission and goals of the group. What the decision costs and where the money will come from then become logistical problems.

Fighting Fiscal Conservatism

How does an organization, then, balance fiscal responsibility and long-term financial planning with a willingness to take risks? Most groups do not want to be like the abused women's shelter years ago, raising its rent money the night before it was due. And most groups do not want to be like the tenants rights group in the sidebar, which started as one kind of group but, through successful foundation fundraising, became an entirely different one. Though these two groups seem very different, the fact is they are not that far apart. Often, a group that starts out with a huge capacity for risk becomes more fiscally conservative over time.

The only way to avoid falling into the security trap is to make sure that all discussions of new programs and projects, salaries and benefits, and anything that has financial implications, are approached first with the caveat, "Let's pretend we have or can find the money." In a discussion under this assumption, no one is allowed to criticize or modify an idea because it will cost too much, leaving room for good ideas to be fully developed.

Once the ideal scenario has been fleshed out and planned in some detail, then financial considerations can come in. These considerations will not nix the idea — they will simply provide a framework for it. "It will take two years to raise the money" is a very different way of thinking about an idea than, "how can we afford that right now?" Similarly, "We will have to find some new donors" has a different ring than, "Forget it. Our biggest donors will not go along with it."

It is also imperative for organizations to discuss what financial security and fiscal responsibility mean in light of their mission. There is a balance between not having the money to pay a debt until the night before it is due and having enough money in the bank to cover a year's worth of expenses. Each group will need to decide on that balance, and their decision may change as their programs change.

For example, a group about to launch a capital campaign may want to have more money than usual saved in case their annual fundraising declines while the capital campaign is in progress. A group with uncertain government funding will probably want more of a reserve than a group with a stable and growing individual donor base.

Organizations need to think of other measurements of security than just money in the bank or in the pipeline. For example, if you have a solid, loyal base of donors, this is a group you can turn to if you suddenly need money. Donors are really like an endowment — if your organization lets your donors know about the good work you are doing, if you thank them for their gifts and treat them appropriately, they will give a predictable amount of money every year and are likely to respond to a one-time need with further generosity. Donors yield money with more certainty and predictability than almost any investment.

Many groups have opted to open lines of credit at their banks instead of having large savings accounts. They create a policy that specifies both that the line of credit is only to be used in extreme circumstances and how it will be paid back. This strategy allows a group not to have to accumulate so much money in a reserve fund, while providing a cash-flow infusion if desperately needed.

How Do You Want to Be Remembered?

When you look at your mission, you have to think about how you want to be remembered. "The group that had a reserve fund" is not catchy.

For example, a free clinic with a year's funding in reserve hired a new director. She suggested using some of the reserve to open a satellite office in another neighborhood in need of a clinic. Several board members strongly resisted this idea. Finally, one board member, who was also a clinic patient, confessed that she felt uncomfortable with the fact that, while the clinic had a full year of funding in reserve, its clients often didn't know where their money was coming from next week. She felt that a distance had grown up between the clinic and its clients. She proposed the board consider liquidating some of the reserve to start the satellite clinic and reflect on whether it really seemed financially irresponsible to only have six months' worth of operating expenses set aside.

The board was persuaded, and the new satellite office not only opened, but has generated a great deal of funding because of the services it provides. As a result, the board has subsequently voted to maintain only between three and six months' worth of operating expenses in the bank. This has freed up a lot of money.

Boldness has a life and power of its own. It is attractive and it attracts money. Ironically, the greatest financial security will be found in discarding financial security as a way to test an idea, and measuring each proposal instead against the mission and goals of the organization. Donors pay you to do your work, not to exist in perpetuity. If you do something that some donors don't like, others will like you better for it and step in to take their place.

Stop asking, "Can we afford it?" and start every meeting instead with Ché Guevara's words, "Be realistic. Do the impossible." GFJ

Marketing Planned Giving:

"If You Don't Know Where You're Going, Any Way Will Do!"

By David Schmeling

Most generalists in fundraising don't have the foggiest idea what to do to start and manage a successful planned giving program for their agencies. They know the results of planned giving — a donor dies and the attorney informs them they are beneficiaries of the donor's estate. The sizable check comes in, the staff rejoices, the board is amazed and begins to suggest, "Maybe we should have a planned giving program, just like the colleges and universities."

At the next board meeting a motion is made that the development director and executive director look into starting a planned giving program for the agency.

Now what? This article explores the first steps to thinking carefully about what you want a planned giving program to do and how to market it.

Five Questions

First there are five organizational questions that you, the fundraiser, must get answers to.

1. Is the board willing to spend some money to get the program up and running, or are they expecting you to squeeze out of the existing development budget the money to run the program? Money spent on planned giving, especially in the beginning stages, is "venture capital"— money being spent, but nothing coming in. In addition to the funds you'll need to develop materials for the program, unless you have a solid background in planned giving, you'll also need to budget $500 to $1,000 for your training.

2. Is the board willing to give you help to get done some of the things you will no longer be doing because you'll be involved in planned giving? Unless you can allocate initially at least 8 to 12 hours per month of prime time to independent study and program management, it's possible that you should not even begin something so demanding as a planned giving program.

3. Is comprehensiveness a prime objective? It should be. Right from the beginning you should know that everyone who has any sort of relationship with your agency is a planned giving prospect. Therefore, everybody should have the opportunity to learn how to make a planned gift.

4. Are you personally really sold on planned giving as a necessary function of a balanced development program? If you aren't, don't start. Quite frankly, a "try it and see" approach in planned giving will do more harm than good to your group's reputation among its constituency.

5. Can you and your development committee write a compelling case statement for seeking planned gifts? This is a crucial step that you and your group will need to take before you begin to cultivate your donors for planned gifts. Review for yourself the essential elements of a good case statement. Obviously, the case for your planned giving program will be tied into the current case statement of your group.

Five More Questions

Second, develop your planned giving program's rationale and operating principles by answering the following five questions:

1. Why, in addition to seeking funds for current operating expenses, is your agency managing a planned giving program?

2. Who will do the soliciting and marketing of the program and to whom?

3. What types of planned gifts will be sought and what types will be refused?

4. How will planned gifts be used? (Ideally, for endowment purposes.)

5. When will these gifts or acts of giving be recognized? This question could have been the second "What?" What is in it for the donor to make this type of gift? If the donors cannot see any advantage in doing something so unique and creative as remembering their favorite charity in their estate plan, then the gifts will simply not be made. So, while your group's mission must be served by the donor making this planned gift, so must the needs of the donor. A basic donor need is to be recognized and thanked.

Four Markets

Third, identify your markets. There are essentially four identifiable markets for a planned giving program. It is better to start small in all of the markets and expand gradually than to have a lopsided, one-dimensional approach.

1. Primary Market – These are donors, board members, special friends and volunteers who have demonstrated a high degree of awareness and acceptance of your group's mission. Their demographics and psychographics are such that they will be open to being solicited for major gifts. When evaluating who is in this market group, it is very important to include personal commitment to your organization as well as financial contributions. In other words, don't just go to your direct mail or special events donor lists as a source for names. Your primary market should already be your best givers.

The most popular marketing strategy for this group is to send them quarterly mailings on charitable giving as part of financial and estate planning so that they will begin to understand how a planned gift can be beneficial both to your group and to them.

2. Secondary Market – These are donors and friends who have made a commitment to your organization but not to the degree that the people in the primary market have. As a result, your organization cannot afford to spend as much time, effort and dollars in cultivating this group as you will for the primary market. But these people represent the "pool" from which you will draw potential donors and upgrade them to the primary market.

If your group has a newsletter that it mails periodically — at least quarterly is best — you have an ideal media by which to build an awareness of planned giving among this segment of your donors. Articles that give a taste of the benefits accruing to planned givers and touch a responsive chord in the reader should become a regular feature of your newsletter, and they should include an invitation to learn more — either through a coupon in the newsletter or by a phone number and staff person's name to contact for more information.

For those who call or write for further information about the gifting plan mentioned in the newsletter, you can send inexpensive response brochures or booklets. If the respondent has significant interest and commitment to your organization, he or she may be put on the planned giving mailing list and be cultivated as a primary prospect.

3. Tertiary Market – These are the people who, in marketing terms, have demonstrated the least awareness and acceptance of your cause but still financially support your organization or have just begun to identify themselves with your group's mission. Their contribution or commitment levels have not yet reached that point where you would be sending them your newsletter, therefore even fewer budget dollars should be spent on them. However, they should still be given the opportunity to identify themselves as interested in this type of giving.

The marketing strategy suitable for them is to include check-off sentences on selected direct mail pieces. For example, this sentence could be placed on the bottom of the slip that your direct-mail donor returns to your organization along with their contribution: "Please send me information about gifts that reduce taxes and retain a life income."

Those who check this sentence should be sent an inexpensive brochure or booklet that explains how this split-interest gift works and the mutual benefits that accrue both to your organization and to them. After qualification, these respondents may be upgraded either to your secondary or primary market and cultivated accordingly.

4. Professional Market – Planned gifts are not made in a vacuum. Because a planned gift may require a legal instrument to convey it to your organization and because a planned gift may represent for a donor both a source of retirement income and charitable support, other members of the donor's financial planning team will become involved. However, if the donor's attorney, accountant, financial planner, insurance agent, stock or real estate broker does not understand the equitable benefits of a planned gift, the gift may never get past the planning stage.

So whose job is it to educate these professionals? Yours, because your organization stands to benefit the most. The marketing strategy for this market is threefold:

a. Quarterly mailings of information pertaining to the impact of tax legislation on charitable giving in estate planning.

b. Personal contact of the bridge-building type, assuring them of your willingness to cooperate with them regardless of their clients' choice of charities.

c. Seminars that you sponsor or co-sponsor through which they can grow professionally and better serve their clients.

Attitude Check

One last word of caution about these identified markets: It's not only what you do but how you do it that will affect the success of your planned giving program. The prevailing attitude behind the program must be one of providing a service for your donors and your professional friends. If the general perception of the planned giving program by any of these markets is that your charity is only interested in taking donors' dollars, then the planned giving program will fail.

The key to a successful planned giving program is simply sharing with your special friends creative planning ideas on how best they can prepare for their future and at the same time perpetuate their values beyond their lifetimes through charitable gifts from their estates to your charity. GFJ

David G. Schmeling, CFRE, consults on planned giving through his firm, Deferred Giving Services, in Wheaton, IL. He is the author of Planned Giving for the One-Person Development Office: Taking the First Steps *and* Creative Stewardship for the Local Congregation, *both available through Chardon Press at www.chardonpress.com.*

The Correct Use *of Special Events*

By Kim Klein

While you are reading this article, all over this country, and around the world, volunteers are meeting to discuss how they are going to raise money for their group. Inevitably one bright spark is going to be saying, "Let's have garage sale. I heard that the Humane Society made $15,000 on their sale." Another bright spark will say, "No, too much work, and everyone is doing them. Why don't we have a Spice Girls/Springsteen/Beastie Boys/Aretha Franklin concert?" And one person who has been through both the garage sale and the concert will think to herself, "Why don't we just have an appendectomy without anesthesia?"

Events are the most common fundraising strategy. In fact, if you ask people what grassroots fundraising is, most people will name an event as an example — bake sale, dance, walk-a-thon. In this article, we will review what events are good for, and what they are not so good for.

Why Do an Event?

When choosing a fundraising strategy of any kind, whether it is direct mail, phone-a-thons, planned giving, starting a small business, or whatever, you need to first ask yourself a series of questions: "What is it we want from this strategy besides money? Do we need money from people or places that haven't given us money before? Do we need to be better known, and if so, better known by whom? Do we need money quickly, or can we wait a while for payoff? How much money do we have to spend on this strategy? How many people are available to help with this strategy? How does this strategy fit into our overall plan?"

The following are the reasons to do an event:

1. You need to increase your overall visibility. Your organization is not well enough known among people who would be inclined to support you, and these people can be reached through an event. That is, they live near each other and your organization, and they tend to turn out at other organizations' events.

2. You need publicity. To reach the people who would be inclined to support you, you need to be in the media. You chose an event that will reach the media you want to be in: your neighborhood newspaper, your alternative radio station, your local news channel.

3. You want to raise money from people or places that would not give you money otherwise, or you want to raise money from people who are new to your organization (they have been attracted by the media you have received).

4. You want to thank people who have done a lot for your organization and so you are going to throw them a party.

5. You want to announce the beginning of or celebrate the conclusion of a campaign of some kind.

6. You want to honor one or more people who are very important in terms of the issue you work on. By honoring them, you will raise money, and you will also associate your organization with them. In this way you will become known to at least some of the people they are known to.

7. You have a number of volunteers who want to help with fundraising, who like each other, and you want them to have a sense of accomplishment. You hope that if they do well with the event, they may be willing to move into more difficult areas of fundraising, such as major gift solicitation.

8. You have a number of inexperienced volunteers, and you want to train them in some aspects of fundraising. An event provides a good training opportunity.

9. You don't need the money immediately, and you have some money you can spend on an event.

Any one of the above may be a reason to have an event, but no reason by itself is enough. At least three of the above reasons need to be applicable for an event to be successful. For example, if you simply need more donors and need to be known among a different group of people, you could try a direct mail campaign or a door-to-door canvass instead of an event. If you need media coverage, there are other ways to get it than an event, which often won't generate more than a mention. Even needing to celebrate a victory is not reason enough to do an event. You would also need volunteers and some money to spend to make the event fun.

The process of deciding whether an event is the way to do what you need to do will also determine, or at least narrow, the choice of what kind of event you will mount. Do you want lots of people? Will there be an entrance fee? Will corporations be invited to sponsor? What activities are the volunteers most comfortable with?

Preliminary Tasks

Once you choose what kind of an event to have, you have three tasks to complete immediately, and the completion of these tasks will often allow you see ways to improve your event, or whether an event is the best way to accomplish a subset of your fundraising goals. The tasks are as follows:

1. Create a Master Task List. Make a chart with three columns: *What, When, Who.* Under "What," write down all the tasks — from the tiniest to the largest — that must be accomplished for this event to be successful. Under "When," write down by what date they must be done. Later, you will assign these tasks, filling in the "Who" column. Leave it blank for now.

2. Create a budget. From your Master Task List, identify everything that will cost money and everything that will raise money. From this new list create a budget of total expenses, and a projection of total income. Compare totals and see if you feel comfortable with the likely outcome.

Some events break even, or even lose money, but are still considered successful because they accomplish other goals. For example, an event to launch a capital campaign might consist of inviting prospective donors to the site of the new building, then giving them a brief and interesting look at the blueprints and the artist's rendering, and a presentation of the kind of excellent work that will be able to happen in the new space. No money would be raised at the event. The prospects would be visited individually later.

Some events are very expensive to put on, and a budget may show income of $50,000 and expenses of $40,000. If raising $10,000 was the only goal, this would not be a good way to go about it, but if the event attracts corporate sponsors, media attention, and builds relationships with new donors, a percentage of whom can be counted on to give over and over, then spending that kind of money would be considered worthwhile.

3. Create a timeline. If after steps 1 and 2, you are still satisfied that this event you have chosen is the right one, proceed with this step. In step three, you plan backwards from the event to the present, to make sure you have not left out any tasks, that you have calculated all costs, and that you have allowed enough time for everything to get done smoothly.

Imagine very specifically the place the event is being held and the starting time. You are standing there. Look around. Is everything in place? Where will people park? Are you sure the facility is wheelchair accessible — check the bathrooms and the hallways as well as the main room. Are people going to bring children; if so, will you have child care? Does the venue look nice? Should you put some flowers on the table? In order for everything to be in place for the start of the event, what needs to be done the day before? Two days before? The week before? The month before? And so on. Work backwards in your mind. Do not hurry through this task because this is the check-and-balance task. Tiny details surface during this task that could have a big impact on the event.

For example, a group invited a famous person to speak. She asked for a podium and microphone. As the committee imagined her walking up to the podium, one member suddenly realized that this woman was quite short, and most podiums are built for men. In her imagination, she literally saw the speaker disappear behind the podium. Quickly, the group added, "find a riser or find a shorter podium" to their task list.

Now the Work Begins

When these three steps are complete, you are ready to assign tasks from the task list, and to actually begin the work of the event. By spending time examining your fundraising needs to determine that an event is the best strategy for meeting them, and then by carefully working on the tasks outlined here, you are assured, pending some unforeseeable disaster, that your event will be successful: it will reach the people you want to reach with the message you want them to hear, the volunteers will have a good time planning and implementing the event, and the event will raise the money you need it to raise. Shortchanging these steps to save time will result in spending time kicking yourself later and regretting the ways things came out. You will spend the time, one way or the other. You might as well do it right the first time. GFJ

State of the Journal

Whenever I write the "State of the *Journal*," I of course am put in mind of the state of the nation which, as I write, has just impeached the President and bombed Iraq, in my mind reaching an all-time low. Fortunately, the opposite is true of the *Journal*, which had a wonderful year in 1998 and looks forward to more. The *Journal* is the flagship publication of Chardon Press, and we are proud to be entering our 18th year of continuous publication. Chardon Press, launched in 1988, remains a younger presence, but has allowed us to expand our work in many exciting ways.

We have engaged in huge promotional efforts this year, including direct mail to recruit new *Journal* subscribers. We launched our Web site at the end of 1997, and refined it over the past year. There are dozens of *Journal* articles on the site, and the lead article of each issue is published simultaneously on the site and in print. Even I, who find surfing the Web about as interesting as watching the grass grow, find our Web site really excellent. I have to credit our superb Web master, Taylor Root, who continues to make our site an interesting place to visit. Linked to the site, our cyberstore provides an easy way to order books and publications on-line. We are not yet serious competition to Amazon.com, but soon.... Elsewhere in these pages is a sample of my new on-line persona, "Virtually Yours," a Dear Abby-type column answering readers' questions sent to me via the Web site.

Chardon Press published a spate of books this year: *Reversing the Flow: A Guide to Corporate Giving in the Bay Area* (edited by our very own Taylor Root); *Juries: Conscience of the Community*, by Mara Taub; *Roots of Justice: Stories of Organizing in Communities of Color*, by Larry Salomon; *Cómo Recaudar Fondos en su Comunidad," translated by Norma Del Rio;* and *Inspired Philanthropy: Creating a Giving Plan* by Melissa Kohner and Tracy Gary. Sample chapters of each of these excellent books can be found on our Web site and more information on each of them appears in announcements throughout the *Journal*.

Our catalog, *Resources for Social Change*, has also been very successful. We have continued to look for interesting, useful, informative or fun (sometimes all of these) books, periodicals, tapes and software that will be helpful to progressive nonprofits and anyone interested in a wide range of progressive issues. We distribute all the titles listed in the catalog; you can order easily via our toll-free number: (888) 458-8588.

With the continued consolidation of the publishing industry (five houses now publish 90% of all the books published in the USA), we believe that our little independent press is very important. We like getting the word out about what other organizations have to offer, too, and we think *Resources for Social Change* has valuable materials to augment all the important work *Journal* readers and others like you do.

We have two new staff people: Deidre Dolce and Shelana DeSilva. With ten years' experience in magazine publishing, Deidre actually knows more than we do about many aspects of the publishing business. Shelana brings an attention to detail and a flair for design that are proving invaluable. Both are enthusiastic, committed to social justice and, most important for this office, endowed with good senses of humor.

All our growth has brought us into a new world of debt, or as the people who loan us money call it, "capitalization." We borrowed $50,000 with the help of the San Francisco Renaissance Center and the Small Business Administration's program for women- and minority-owned businesses. We were also fortunate to borrow another $10,000 from several supportive friends. This money was used for "expansion," which basically meant we spent all the money, and we hope someday to get it back and then some. We'll keep you posted.

By far the most disruptive but exciting time was our move to downtown Oakland, on December 1st. Some people have said, "Oh, now you have a real office." I beg to differ. Our previous office, in a garage behind our house, was a real office — it wasn't imaginary! However this, our latest real office, is in a large building that was purchased by the Applied Research Center (one of our main collaborators). We have much more space, including storage space, a shipping room, a kitchen, and two offices. Hopefully our new grandeur will not go to our heads.

The only ones truly upset about this move are our dogs, Gracie and Brooklyn, who can no longer come to work with us (too many allergic people, whose needs, alas, take priority). They are slowly adjusting to being home alone, and we are adjusting to not have having muddy paw prints everywhere. For those of you who follow our animal sagas, our cats, Nosey and Jack Daniels, are fine and fat as ever.

We wish all of you all the best in 1999.

—Kim Klein

ANNOUNCING...

Virtually Yours

Dear Abby Doesn't Have *All* the Answers

Sure, "Dear Abby" can help you with your family troubles, but what does she know about grassroots fundraising?

"Dear Kim Klein," the newest and possibly only on-line advice column for nonprofit fundraisers, is a regular feature of the Chardon Press Electronic Newsletter. Ten times a year, Kim Klein, internationally recognized fundraising trainer and consultant, author of the best-selling *Fundraising for Social Change,* and co-publisher of this very journal, offers free advice on everything from (donor) Acquisition to Zip Codes on thank-you letters.

To subscribe to the on-line newsletter and not miss a single issue of "Dear Kim Klein," send your e-mail address to chardonnews@chardonpress.com. You can also sign on by visiting our Web site: www.chardonpress.com.

If you have a question for "Dear Kim Klein," please e-mail it to chardonnews@chardonpress.com, with "Dear Kim" in the Subject line. Kim won't be able to answer each question personally, but she will respond to questions like yours throughout the year.

Whenever she can, she refers people to places where they can get more information. We don't want anyone to think we're doing nothing but shameless plugging in this newsletter, but more often than not, things she's written or other Chardon Press publications will be mentioned. Every now and then, says Kim, "I'll refer to other resources, publications, and Web sites, if for no other reason than to prove that self-aggrandizement is not my only motivation for writing the column."

Here are some samples from previous newsletters:

Dear Kim Klein,

As the development director of a human services agency with sites throughout the state, I have a problem finding foundations interested in giving money to our programs in an area (county) sandwiched between two major cities. Some funders limit giving to one metro area, while others give only to the other metro area. What's a needy program to do, when it is sandwiched between large urban centers, but not connected to either of them? — *Sandwiched*

Dear Sandwiched,

Two suggestions: first, forget foundations as a source of funding. They give away very little in the scheme of things. Only about 9% of all the money given away by the private sector is from foundations, whereas 85% comes from individuals and the remaining 6% from corporations. I suggest you focus your fundraising efforts on the individuals who live in and around your service area. Although more work at first, people will be a more constant and easier source of funding than foundations.

Second, if you refuse to forget about foundations, go to the foundations in the metro areas that you describe and tell them (nicely but firmly) that their policies of not giving outside of their zip codes are unfair and punitive to people living only a short distance away from the city, and needing your service as much as the city dweller. Some foundations are unable to change their geographic guidelines, but others may be willing to, or may be willing to figure out a way to help you.

If a foundation cannot fund you simply because you are outside their geographic scope, ask them to find funding for you from someone else. Don't be afraid to be assertive with foundation staff. They are supposed to partner with you in making the world a better place to live. (For more information on seeking foundation funding, see *Grassroots Grants* by Andy Robinson. Several chapters of that book are reprinted on-line at www.chardonpress.com and the book itself can be purchased through our cyberstore.)

Dear Kim Klein,

I am the founder, funder and facilitator for a homeless feeding program in Los Angeles. I feed 500-600 homeless people a chicken dinner every Saturday and Sunday in Venice and Hollywood. It costs me almost $2,000 a week, and although I used to have money, soon I'll be in my own food line! I desperately need a fundraiser. I have not tried to get any publicity because the communities I feed in are very hostile about the homeless and would use the ink to have me kicked out. —*Jay in LA*

Dear Jay,

You don't need a fundraiser—you need funds to keep your work going! This distinction may seem ridiculous, but in fact it changes how you will approach your problem. You have done fine as a one-person show, but being an organization means that there are other people in the organization. You need to find a small committee of friends or people who support your work and ask them to help you raise the $2,000 a week, or $3.30 per person fed per week that you need.

I imagine you have some volunteers who help you with the logistics of cooking, buying in bulk or dishing up the food—people like that can be asked to help you raise money. You and they will ask friends, colleagues, co-workers, and as shocking as it may seem, the homeless people you serve to help with small and large gifts.

The communities you are in are not uniformly anti-homeless: you need to find allies among those who live in Venice and Hollywood. For many people the easiest thing to do is to write a check. They don't have time to volunteer, but they want to do something to help. I would ask everyone I know to ask everyone they know to help take care of as many homeless people as possible at $3.30 per person.

Even though you seem to be slowly going bankrupt by doing this work, it obviously makes you feel good. Other people want that feeling too, but they are not willing or able to make the sacrifice that you have made. Invite them to help you. At some point, you will be raising enough money to hire someone to keep up with sending donors thank-you notes and coordinating larger scale fundraising efforts, but until then something like this can be done by volunteers.

Dear Kim Klein,

We are a small coalition with a serious need to build up our board so we can accomplish more. How do we recruit new board members who will be willing and able to help build towards fulfilling our mission when our current status is weak and our activity level is low?

—*Spirit is Willing, but Coalition is Weak*

Dear Willing,

If your coalition is doing needed work, there will be people who will love the challenge of taking a good organization and helping it realize its potential. Look for people who are leaders in other groups, or who have recently left organizations that they founded or have worked in for some time. Unless they left under very bad circumstances, these are often the people who like a challenge and like to build something strong from something weak. Try to find people from organizations and constituencies that will benefit from the work of your coalition.

Meet with potential board members in person, just as you would with potential major donors. Tell them exactly what your situation is and why you want them on the board. Be honest, but also demonstrate your personal enthusiasm for the organization. Your excitement about your coalition's potential can be contagious.

If you want them to raise money, tell them in plain language. Do not be subtle and do not hint at what you want. The clearer you are from the outset, the more likely your recruits will rise to the occasion. When someone shows interest but ultimately declines, think about smaller commitments you can ask them for, such as volunteering, serving on a task force, or joining your annual fundraising drive committee. Ask if they can suggest other potential board members.

Remember that it takes an investment of work on your part to get work from a board, especially one with many new members. Getting a bunch of great people to sign up is just the first step in building a working board. (For more information on board recruitment, see the *Grassroots Fundraising Journal* reprint, *The Board of Directors*, available from Chardon Press at www.chardonpress.com.) GFJ

Book Review

Understanding Nonprofit Law

Guidebook for Directors of Nonprofit Corporations

George W. Overton, editor
120 pages / $19.95

Reviewed by Kim Klein

This highly readable guide discusses virtually every legal problem that nonprofit executive directors or their staff are likely to face. Based on the expertise of corporate and nonprofit executives, attorneys, and professionals who have hands-on experience facing board organization and management problems, this informative guide is filled with step-by-step guidelines, sample forms and letters, useful checklists and bibliographies.

The guide takes readers through the intricacies of such things as conflict of interest, business judgment rule, mandatory indemnification, and so on and explains them in plain language. The design of the book also helps with its readability, with good use of headings, bullets, and graphs summarizing the main points of each chapter.

Because I needed to know, I used the information on D&O insurance (Directors and Officers Liability) to help make a decision. This is the first time in almost ten years of trying to understand the intricacies of D&O insurance that I felt I understood it. Consider just this paragraph:

> **Policy Exclusions**
>
> *Virtually all D&O policies have substantial exclusions which must be fully understood.*
>
> Perhaps more important than the scope of coverage, most D&O policies are riddled with exclusions. The excluded risks are not just limited to the "exclusions section" itself but occur throughout the policies. For example the term "loss" may be defined to exclude fines or penalties imposed by law for matters uninsurable under applicable law such as punitive damages.

The section goes on to explain other exclusions, and how to negotiate to have some of them deleted. It is clear and understandable.

I would recommend that every nonprofit have a copy of this book in their reference section, and be sure to give a copy to any incoming board chair, or chair of nominations.

ORDER FROM:
American Bar Association, Publication Orders
P.O. Box 10892, Chicago, IL 60610-0892
OR CALL: **800/285-2221**
Discounts for multiple copies.

Grassroots Fundraising Journal Index

Every February, the *Journal* publishes an updated Index of all back issues currently available. This year's Index lists articles published in the *Journal* from Vol. 8, No. 6 (Dec., 1989) through Vol. 17 (1998), with the exception of the following out-of-print issues: Vol. 9, No. 1; Vol. 13, Nos. 2, 3, 4; and Vol. 14, Nos.1, 2 and 4.

Articles here are listed chronologically within topic headings. Titles in italics are book reviews.

Volumes 1 through 8:5 are out of print. However, two series of popular past articles have been collected in the Reprint Collections, *Getting Major Gifts* and *Board of Directors.*

To order articles or reprint collections, see order form, page 19. Single articles not available; order by Volume and Issue.

"How to Plan Your Fundraising Strategy," by Pat Munoz and Liz Raisbeck. Vol. 16:1, 1997.

"Strategic Planning: When Aren't You Ready?" by Karen Simmons. Vol. 16:2, 1997.

Strategic Planning Workbook for Nonprofit Organizations, Revised and Updated, by Bryan Barry Vol. 16:5, 1997.

"Time Management Tips for Fundraisers," by Kim Klein. Vol. 17:3, 1998.

"Getting the Most out of the Month of August," by Kim Klein. Vol. 17:4, 1998.

PLEDGE PROGRAMS
"A Committed Relationship: One Group's Experience," by Judith Siers. Vol. 16:6, 1997.

POLITICAL TRENDS
See also *Lobbying*

"More Legislative Attacks on the Nonprofit Sector," by Kim Klein. Vol. 17:4, 1998.

"Campaign for Human Development Dictates Right Turn to Community Organizers," by Francis Calpotura. Vol. 17:5, 1998.

POSTAL RATES
See *Direct Mail*

PRINCIPLES OF FUNDRAISING
Successful Fundraising: A Complete Handbook for Volunteers and Professionals, by Joan Flanagan. Vol.10:5, 1991.

Achieving Excellence in Fundraising, by Henry A. Rosso and Associates. Vol.11:3, 1992.

"Gifts with Strings Attached," by Kim Klein. Vol.11:6, 1992.

"Clean Up Your Language," by Kim Klein. Vol.12:6, 1993.

"When Money Isn't the Problem," by Kim Klein. Vol.12:5, 1993.

"Where Have All the People (and Their Dollars) Gone?" by Mike Miller. Vol.14:6, 1995.

"Of Fundraising and Equity: The Importance of Coffee Cans," by Judy Levine. Vol.15:1, 1996.

"Everything I Know about Giving I Learned from a Bushel of Vegetables," by Maria Gonzales. Vol.15:2, 1996.

"Must the Poor Be With Us Always?" by the Interpares Collective. Vol.15:5, 1996.

"Opportunistic Fundraising," Kim Klein. Vol.15:5, 1996.

"You Already Know All the People You Need to Know to Raise All the Money You Want to Raise," by Kim Klein. Vol. 16:2, 1997.

"When Fundraising Strategies Wear Out," by Kim Klein. Vol. 17:5, 1998.

PRINTING
"10 Ways to Get More from Your Printing Budget," by Lincoln Cushing. Vol.15:3, 1996.

PROPOSALS
See *Foundation Funding*

PROSPECT IDENTIFICATION
See also *Major Donors*

"Identifying Prospects, Part One: Gifts of $100 to $2,500," by Kim Klein. Vol.10:1, 1991.

"Identifying Prospects, Part Two: Gifts of $2,500 and More," by Kim Klein. Vol.10:2, 1991.

PUBLIC RELATIONS
See *Media*

PUBLICITY, FOR EVENTS
See *Events*

RECORD KEEPING
"Keeping Track of Information—Part 1: What to Keep, What to Throw Out," by Kim Klein. Vol.11:4, 1992.

"Keeping Track of Information—Part 2: Calendars and Action Plans," by Kim Klein. Vol.11:6, 1992.

"Look Before You Leap into Fundraising Software," by Mary Ann Osmond. Vol.15:6, 1996.

"Fundraising Software Programs," by Mary Ann Osmond. Vol. 16:2, 1997.

"Strategic Databasing," by Graham Potter. Vol. 17:6, 1998.

RELIGION
"Fundraising Books for Religious Congregations," reviewed by Joan Flanagan. Vol.10:4, 1991.

SPECIAL EVENTS
See *Events*

SPONSORSHIP
"Underwriting: An Entrepreneurial Technique," by Diane Johnson. Vol.11:3, 1992

STAFFING
See also *Development Directors, Planning*

"Dealing with Discord," by Kim Klein. Vol.12:5, 1993.

"The First Staff Person," by Dianne Russell. Vol.12:6, 1993.

"Candle Burning at Both Ends: How Hard Should You Be Working?" by Kim Klein. Vol.13:5, 1994.

"Make Fundraising Your Career," by Kim Klein. Vol. 17:1, 1998.

"Why People of Color Need to Be Good Fundraisers," by Mike Roque. Vol. 17:5, 1998.

TAXES
"Remember the New Rules for Acknowledging Contributions," Vol.13:5, 1994.

TELEPHONE FUNDRAISING
999 Tips, Trends and Guidelines for Successful Direct Mail and Telephone Fundraising, by Mal Warwick, with Deborah Block, Stephen Hitchcock, Ivan Levison, and Joseph H. White, Jr. Vol.12:4, 1993.

"The Pitfalls and the Promise of Telephone Fundraising," by Carol Blanton. Vol.13:6, 1994.

THANKS
Accent on Recognition: Saying Thank You to Donors and Volunteers. Vol. 10:3, 1991.

"The Thank You Note," by Kim Klein. Vol.11:3, 1992

"Two Magic Words," by Dianne Russell. Vol.13:1, 1994.

"Remember the New Rules for Acknowledging Contributions." Vol.13:5, 1994.

UNDERWRITING
See *Sponsorship*

VOLUNTEERS
"Protecting Volunteers: Do State Laws Work?" by the Nonprofits' Risk Management & Insurance Institute. Vol.10:1, 1991.

"The Corporate–Volunteer Connection: What's In It for Them? What's In It for You?" by Elisabeth Ptak. Vol.14:3, 1995.

The (Help!) I-Don't-Have-Enough-Time Guide to Volunteer Management, by Katherine Noyes Campbell & Susan J. Ellis. Vol. 17:3, 1998.

The Volunteer Recruitment Book, by Susan J. Ellis. Vol. 17:3, 1998.

WORKPLACE GIVING
See also *Alternative Funds*

"Getting Your Share of Workplace Giving," by Beth Daley and Robert Bothwell. Vol.12:2, 1993.

WRITING
See also *Foundation Funding*

How to Do Leaflets, Newsletters & Newspapers, by Nancy Brigham, Maria Catalfio, and Dick Cluster. Vol.11:1, 1992

About Chardon Press

Founded in 1988, Chardon Press publishes books and other materials relating to or funding the work of social justice and social change.

Order online at **www.chardonpress.com** or page 19.

COMMUNITY ORGANIZING & PUBLIC POLICY

- **JURIES: Conscience of the Community**
  by Mara Taub (1998)
- **ROOTS OF JUSTICE: Stories of Organizing in Communities of Color**
  by Larry Salomon (1998)
- **BEYOND THE POLITICS OF PLACE: New Directions in Community Organizing**
  by Gary Delgado (expanded, 1997)
- **JUSTICE BY THE PEOPLE: Action Education Workshops for Community Safety and Police Accountability**
  by Terry Keleher (1997)
- **HOMOPHOBIA: A Weapon of Sexism***
  by Suzanne Pharr (expanded, 1997) **TO ORDER CALL (501) 372-5113**
- **IN THE TIME OF THE RIGHT: Strategies for Liberation***
  by Suzanne Pharr (1996) **TO ORDER CALL (501) 372-5113**

FUNDRAISING RESOURCES

- **INSPIRED PHILANTHROPY: Creating a Giving Plan**
  by Tracy Gary and Melissa Kohner (1998)
- **FUNDRAISING FOR SOCIAL CHANGE**
  by Kim Klein (Third Edition, 1995)
- **GRASSROOTS GRANTS: An Activist's Guide to Proposal Writing**
  by Andy Robinson (1996)
- **GRASSROOTS FUNDRAISING JOURNAL**
  (6 issues annually; Reprint Collections: *Board of Directors, Getting Major Gifts*)
- **REVERSING THE FLOW: A Practical Guide to Greater Bay Area Corporate Giving Programs**
  Taylor Root, ed. (1998)
- **CÓMO RECAUDAR FONDOS EN SU COMUNIDAD**
  translated by Norma Del Rio. (1998)

** These two titles can only be ordered by calling the number shown.*

Chardon Press
3781 Broadway
Oakland, CA 94611

Bulk Rate
U.S. Postage
PAID
Redwood City, CA
Permit No. 654

ADDRESS CORRECTION REQUESTED