Mellon Bank Corporation

Discover Total Resources

A Guide for Nonprofits

Mellon Bank
A neighbor you can count on

Mellon Bank is pleased to share with you this resource development guide for nonprofit organizations. **Discover Total Resources** is neither a textbook nor a directory. It is, rather, a descriptive checklist to be used as a guide, or self-audit, by boards, staff and volunteers to assess the degree to which they are tapping a full range of community resources: money, people, goods and services.

This brochure grew out of the routine discussions we have with nonprofits as we encourage them to think beyond "checkbook philanthropy" to comprehensive resource development—to include in-kind support and collaborative ventures—and to consider the potential of many different sources.

Nearly one hundred thousand copies have been distributed and we continue to receive requests daily. Requests come from every state, D.C., Puerto Rico, the Virgin Islands, Canada and Europe. Requests come from organizations, board members, volunteers, resource centers and libraries, public agencies, professionals with nonprofit clients, foundations and others. Many national and regional organizations distribute copies to member organizations and at conferences.

Discover Total Resources: A Guide for Nonprofits is a winner in the Bank Marketing Association's 1985 Golden Coin Competition.

Mellon Bank thanks the many organizations and individuals who shared their creativity and knowledge in the production of this guide.

We also wish to acknowledge the hard work and dedication of our colleagues in the nonprofit and for-profit sectors whose efforts enhance the quality of life for all of us.

Please contact Sylvia Clark, (412) 234-3275, for additional copies.

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Introduction

The more things change, the more they stay the same. There is no better example of this time-proven paradox than the charitable nonprofit organization. The greater the change in external forces that affect its stability—government policies, economic and social conditions—the greater the need for *internal strength and flexibility* to ensure that stability. Not every nonprofit* survives. The established fail along with the new. Those that make it have a number of characteristics in common. Perhaps foremost is the *ability to make the most of community resources.*

The purpose of this guide is to help you—board members, staff, volunteers—discover resources and techniques Mellon Bank has seen used effectively by a variety of nonprofits. We want to change your way of thinking…take you beyond traditional "checkbook philanthropy" to the concept of *total community resources.*

To make our point, we've shifted from the traditional emphasis on volunteers, corporations and foundations to focus on total resources—*money, people, goods, and services.*

We offer a *checklist of resources and techniques* to help reduce your vulnerability and increase your opportunities. Many suggestions will apply to you. Some will not. We hope everyone will gain something, if only new insight into an old problem.

Please *share the guide* with others. In fact, we urge you to routinely share ideas and experiences with your colleagues in other organizations. Our goal is a nonprofit sector that is *stronger, smarter and better able* to meet the community's needs.

Because Mellon Bank is headquartered in Pittsburgh, the information and examples presented are based primarily on our experience here. However, we believe the basic principles to be universal and encourage you to look for similar applications in your community.

Good luck. Let us know about your creative solutions to the challenges of resource development in the 80's: Mellon Bank, Community Affairs Division, One Mellon Bank Center, Pittsburgh, Pennsylvania 15258.

**For the purpose of this guide, the term "nonprofit" is limited to those organizations specified as "charitable" by the Internal Revenue Code.*

Chapter 1: Self-Discovery

Self-examination is the first step toward discovering total community resources. Determine who and where you are, where you want to be, and what you need to get there.

This evaluation should occur regularly—at least *annually.* More often in times of stress. The examination should be *internal and external,* involving feedback from everyone connected with your organization. And it must be *honest.* You have to answer difficult questions and face hard realities. The result will be greater strength and flexibility, regardless of external factors.

Table 1 offers a checklist for evaluation.

Table 1: Self-Examination

State your purpose in two or three sentences.

List major accomplishments.

What community need do you serve?

Whom do you serve (include age, sex, race, income level, etc.)?

What services do you provide?

Who delivers your services (paid staff, volunteers)?

List strengths and weaknesses in each service area.

What other organizations (profit or nonprofit) provide the same services?

What is your performance rating compared to other providers?

Can you demonstrate public demand/support for your services?

What are your short- and long-term goals?

Are they consistent with your purpose and services?

Were your goals developed with input from:

- Board?
- Consumers?
- Contributors?
- Members?
- Staff?
- Volunteers?
- External consultants?

Do you have an annual action plan, which includes:

- Program objectives for each service?
- Performance schedule?

Will your goals require a change in:

- Number/type of persons served?
- Services?
- Staff?
- Financial support?
- Volunteer support?
- Other?

What internal and external factor(s) could have a positive impact on your ability to achieve your goals?

What factors could have a negative impact?

What are your funding sources?

- Memberships?
- Service fees?
- Income-generating activities?
- Individual donors?
- Federated campaigns?
- Businesses/corporations?
- Foundations?
- Government?
- Religious organizations?
- Other?

What non-cash support do you receive?

- Volunteers?
- Goods?
- Services?
- Other?

If you answered "no" to any of these questions or were unable to complete them, encourage your organization to commit more time to *planning and evaluation,* which should occur *concurrently with resource development.* A healthy organization continually reviews program goals in light of available resources and other external factors. It's this ability to *adapt resources* to needs that distinguishes the *successful.*

The identification and development of these community resources will be discussed in subsequent chapters.

Discover Total Resources

The concept of "total resources" isn't new. It's been around as long as supply shortages. Successful nonprofits have discovered that you don't have to deplete one resource to look for another. To the contrary, you should carefully manage a *variety of resources.* The more the better.

Start inside your organization. Through self-examination *(Table 1)*, determine your needs. Then identify all available resources. Again, begin within your nonprofit and move outward into the community at large. Staff, directors, volunteers, members, consumers—all are valuable *renewable* resources. So are others who share your cause... and everyone who benefits from your service, directly or indirectly.

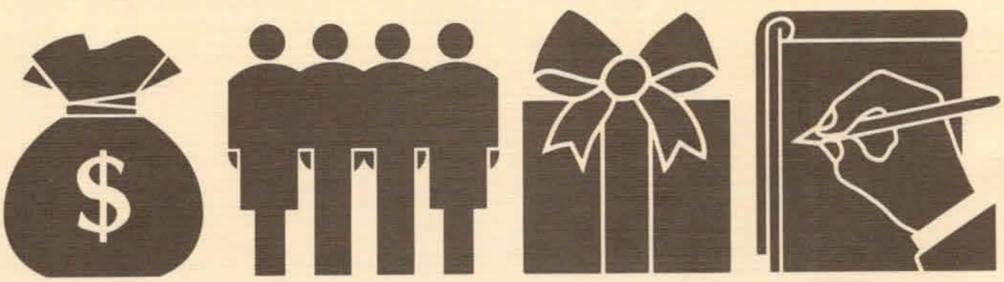
You will discover that resources are available through numerous sources, and that sources offer multiple resources. The result is *interconnecting units of community resources*—as illustrated by the symbols on the cover and throughout this guide. The four major resource groups—*money, people, goods,* and *services*—work together and independently to meet community needs.

Table 2 offers a listing of *resources and sources,* beginning with those closest to your organization and moving outward to the community. Adapt it to your needs. The four major resource groups will be discussed in subsequent chapters.

Table 2: Total Community Resources

Board of directors	Small businesses
Employees	Corporations
Members	Doctors/lawyers/other professionals
Clients	Foundations
Consumers	Government (city, county, state, federal)
Family and friends	Schools/colleges/universities
Alumni	Unions
Auxiliaries	Professional organizations
Contributors	Police/fire/emergency departments
Volunteers	Political organizations
Retirees	Religious organizations
Neighbors	News/entertainment/education media
Vendors	Other nonprofits
Civic groups	

Every source has the *potential* to provide every resource—money, people, goods, services, You must decide how to acquire those resources, in the right combination, to meet your particular needs. But first, discover all the possibilities.



Money

Money isn't everything, but you can't run a nonprofit without it. And the less you spend to make money, the more money you'll have left for your program.

Everyone has money. According to the American Association of Fund-Raising Counsel, 86% of all Americans give to one or more charitable organizations. They represent all ages, incomes, occupations, and education levels.

Individual donations account for almost 90% of all charitable giving in America. More than 83% is from living persons, and another 7% from bequests. The remaining 10% of charitable contributions comes from foundations and corporations (including corporate foundations), each giving approximately 5% annually.

Religion receives the largest share of contributions, followed by education, health and hospitals, social services, arts and humanities, and civic and public affairs.

Donations aren't the only source of money for nonprofits. There also are investment income; membership dues; earned income from businesses, goods and services; government grants and contracts, and program related investments. *Table 3* offers a more complete listing, and potential sources.

Table 3: Money

Resources

- Internal money management
  - Operating economy
  - Cost sharing
  - Investment income
- Membership dues
- Earned income
  - Service fee
  - Income-producing business/product
- Individual solicitation
  - Door to door canvass
  - Phone-a-thon/telethon
  - Direct mail
  - Canister
  - Payroll deduction
  - Matching gift
  - Annual giving
  - Memorial
- Planned giving
  - Bequest
  - Life Insurance
  - Trust
  - Annuity
  - Pooled Income
  - Securities
- Endowment
- Grant
- Program-related investment
- Special event

Sources

- Board of directors
- Employees
- Members
- Clients
- Consumers
- Family and friends
- Alumni
- Auxiliaries
- Contributors
- Volunteers
- Retirees
- Neighbors
- Vendors
- Civic groups
- Small businesses
- Corporations
- Doctors/lawyers/other professionals
- Foundations
- Government (city, county, state, federal)
- Schools/colleges/universities
- Unions
- Professional organizations
- Police/fire/emergency departments
- Political organizations
- Religious organizations
- News/entertainment/education media
- Other nonprofits

Looks complicated. But it's manageable. *Start inside your organization* with those who know you best and share your goals. Then gradually *move outward* into the community.

A brief summary of the primary money resources follows. Evaluate each of them according to your needs and capabilities.

Internal Money Management

Making the most of the money you have

Analyze your internal financial situation. Have you cut unnecessary expenses? Are you making money with the money you have? Have you tried sharing costs with other organizations? Good internal money management not only saves money, it also tells potential donors that you'll use their money wisely.

Operating Economy

The first way to make money is to *eliminate waste*. Employees, volunteers, board members, everyone closely associated with your organization can suggest ways to cut costs. Place a *suggestion box* within easy access. Award a monthly *prize* for the best idea. If your situation is critical, ask a *management expert* to volunteer as a consultant until your problems can be resolved.

Other money savers:

- Get accounts receivable off your desk and into the bank.
- Avoid penalties and late charges. Pay taxes and bills on time.
- Make a payment schedule and stick to it.
- Maintain facilities and equipment on a regular basis. Deferred maintenance is expensive.
- Review insurance coverage and costs annually. Get new bids at least every three years.
- Avoid duplication of efforts and documents: assign staff responsibilities in job descriptions, route and share records and other paperwork.
- Determine your unit cost, e.g., service cost per hour, client, facility.
- Salaries and benefits are a major cost. Enforce productivity standards and conduct employee evaluations at least annually. Use volunteers at every opportunity.

Cost Sharing

Cost sharing possibilities include joint purchase of goods, equipment, and services; shared office space, equipment, and services; group purchase of medical and other insurance.

> *Example:*
> Louise Child Care Center in Pittsburgh acts as bulk purchasing agent for over 55 child care providers, at an average savings of 15-30%. Individual agencies select items from the catalogs of five suppliers. The Center consolidates and places orders quarterly, and sorts deliveries. Agencies pick up orders at the Center, paying their share of the total, plus 5% handling.

Investment Income

Consider the short- and long-term investment of available cash. A *Money Market Account* offers fund liquidity and higher earnings than interest-bearing checking accounts. If you can do without your money for 6-12 months, consider investing in a *Certificate of Deposit* (CD) or other fixed term, fixed rate instrument. However, do so only if the guaranteed rate is at least 1.5% higher than the money market rate at time of purchase. Because money market rates fluctuate with the market, these accounts can yield higher earnings. The Working Assets Money Fund of San Francisco offers these and the following tips to determine how much you should invest (see Chapter 8, Print Resources):

- Do a cash flow projection to determine all cash needs for the next 12 months.
- Shop around at financial institutions for the best deal on a checking account. Some regular accounts may be better than interest-bearing accounts due to hidden service charges.
- Consolidate all necessary operating funds into one checking account, and possibly a second account for payroll. Be careful to manage separate fund accounts through bookkeeping entries.
- Invest all remaining discretionary cash in a money market account or CD.

If cash assets are sizeable, consider long-term investments such as stocks, bonds and real estate. However, do so only at the advice of a professional.

More Internal Management Clues

- Review and understand donor requirements. Noncompliance can lead to disallowances, fund returns, and can jeopardize future funding.
- Be aware of the pitfalls of cash basis accounting. Account for and report all liabilities.
- Get to know your banker and other financial experts. Their free advice can be invaluable.
- Be aware that some grantors, particularly government agencies, require the return of investment earnings.

Membership Dues

Banking on their belief in you

People buy memberships because they believe in an organization and want to help further its goals. The value goes beyond the immediate payoff of unrestricted income. Members are a form of *collateral* for attracting other "investors" from the community. Grantmakers like to know you have strong community support. Members also are prime prospects for personal donations.

Some membership clues:

- Adjust dues to keep pace with inflation and cover membership maintenance costs.
- Price dues on a sliding scale, based on ability and willingness to pay. Start with a basic, minimum rate, increasing the price and attendant privileges as you move up the scale, e.g., family, friend, supporter, sponsor, life member, etc.
- Offer discount memberships to students and senior citizens.

- Inform members about the tax deductibility of their dues. This can vary considerably. Dues covering the cost of benefits received are not deductible. Dues essentially a contribution are. Ask your tax expert for a ruling.
- The nonrenewal rate is high—approximately one-third in most organizations. Reduce renewal costs by replacing expensive second and third mailings with a membership phone-a-thon. It costs less and works better.
- Memberships must be sold. Sharpen your selling skills and develop a creative marketing plan. Let prospects know about benefits which accompany memberships. See **The Grass Roots Fundraising Book** by Joan Flanagan (see Chapter 8, Print Resources).

Earned Income

Anything worth doing is worth money too

There's no rule saying nonprofits can't make money, only that the money must be used for charitable purposes. *Services are marketable.* So are program-related products. The possibilities are limited only by your creativity, skills, and management abilities. Be forewarned that some ideas involve *considerable risks.* A brief summary of tried and proven income producers follows.

Service Fee

The safest, most obvious way to earn income is to charge for services you're providing free. Base fees on a *sliding scale* according to income and ability to pay.

If you serve only low income persons, consider *extending your services* to others, especially if you face budget deficits. It's better to broaden your service base and stay in business.

> *Example:*
> A local nonprofit organization faced closing because of its tradition of serving only low income families. Administrators were slow to see that fees charged to higher income clients could help subsidize care for those unable to pay. They also overlooked the obvious: the interaction of individuals from diverse income groups could be an enriching experience for all. The agency now is successfully charging according to ability to pay and pursuing other income generating ideas.

Other income-earning ideas:

- Sell services to government, local businesses, and corporations. Convince them you can provide a needed service better and less expensively. This can range from a one-time consultation to a long-term contract. Classic examples include employee child care, health and fitness programs, and educational and research services.
- Offer unused space to businesses, other nonprofits, and government agencies for conferences for a fee.
- Sell newsletter subscriptions to "outsiders" based on the publication's informational value. Sell ad space, too.
- Share computer time, print shop, and other in-house services with other nonprofits, for a mutually beneficial fee.

Caution: Never sell services to outsiders at the expense of program goals. Staff time and talents should be shared only when it does not interfere with your primary purpose.

Income-Producing Business/Product

A program-related business can be a money-maker for nonprofits. Possibilities include the sale of services, as mentioned earlier; the manufacture and sale of products; and the sale of products purchased for resale. Perhaps the best known example, *combining program goals and earnings,* is Goodwill Industries. By teaching handicapped persons to refurbish donated household goods, this organization fulfills its primary purpose of individual rehabilitation and helps support itself through sales of the items in its retail stores. Goodwill also earns money by contracting with businesses for such jobs as assembling, collating, and packaging to be done in its sheltered workshops.

Other well known money-makers are Girl Scout cookies, UNICEF cards and gifts, art and wildlife posters and calendars, hospital gift shops, ticket sales, community and celebrity cookbooks.

Nonprofits are venturing into *nontraditional businesses* as well. The Denver Children's Museum is perhaps most notable for its creative efforts: leasing advertising characters to a commercial business, selling exhibit space to toy manufacturers, and producing special children's books for corporate sponsors.

The Pittsburgh Public Theater has boosted earnings and pleased patrons through a variety of program-related activities. They include the sale of t-shirts, albums, and other featured play memorabilia and the sale of specialty wines and box snacks during intermission. When the theater is dark, the hall is rented for business meetings and other activities.

Beware, however. Not all income-producing activities are tax-exempt. And there's increasing resistance from commercial enterprises to so-called "unfair" competition from nonprofits. Generally, any activity substantially related to your charitable purpose is tax-exempt. If an activity is mostly unrelated, and provides over 15-20% of your income, you *may jeopardize* your tax-exempt status. At this point, you must decide whether to abandon the business, or to start a profit-making subsidiary.

Before undertaking any business venture:

- Define the type of business, market, growth potential, and competition.
- Identify which staff will be involved, for what percentage of their time, and at what cost to your organization.
- Develop a business plan, including preliminary budgets, funding sources, projected cash flow, and projected profit/loss for first three years. Include a contingency plan.
- Get financial and tax advice from experts such as an attorney, accountant, banker, lender, IRS specialist, and the Small Business Administration.
- Talk to other nonprofits about their successful business ventures. Contact New Ventures, Inc. for more ideas (see Chapter 8, Print Resources).
- Weigh all these factors with your organizational goals and make a decision.

The risk can be great. Over half of all new commercial businesses fail in their first year. Nonprofits have a higher rate of failure. But nonprofits are succeeding and finding more and more creative ways to turn their skills into money-making businesses.

Individual Solicitation

If you don't ask, you won't receive

Because *individual giving accounts for nearly 90%* of all charitable contributions in America, it should be a mainstay of your support. Develop a plan for soliciting individual donations and *allocate time accordingly.* Like memberships, this income tells other funding sources that the community values your organization.

There are many formulas for success. Regardless of the strategy you pursue, keep in mind these suggestions:

- Ask your board members for donations first, so others will follow their lead.
- Be resourceful in choosing prospects. Develop a list from members, volunteers, clients, businesses, neighbors, meeting sign-up sheets, alumni, phone books, special interest directories. The Coles Directory lists phone numbers by neighborhoods. The Federal Census publishes lists of neighborhoods by income level.
- Everyone is fair game. High density, middle income neighborhoods should be more profitable and less time consuming than others, as should areas in which you or your solicitation team are known. People give more readily to neighbors than to strangers.
- Recruit volunteer solicitors from directors, members, volunteers, clients, alumni, and the general public. Challenge local schools, colleges, or community groups to compete for a trophy or other prize for the most money collected.
- Provide orientation for solicitors. Include sample greeting, organizational fact sheet, and paper to record complaints that may need follow-up. Make sure everyone has facts about you and how their money will be used.
- Check regulations regarding charitable solicitations in your chosen area(s) and always obey local laws. Provide a copy of solicitation permits and agency ID to all solicitors, as applicable.
- Give contributors a receipt. Give everyone you contact a leaflet or other visual reminder about your organization and your fundraising purpose.
- Use every opportunity to send follow-up letters, e.g., new programs, achievement awards, research findings.
- Keep a record of each contact for future reference, according to whether they are *hot* (current giver), *warm* (former giver) or *cold* (new contact or refusal).
- Weigh time and expenses in relation to value received, i.e., money and visibility—for all solicitation methods. Allow time for success, but watch for danger signs. Quickly revamp or drop obvious losers.
- Say "Thank You."
- Dare to be different. Compare your plan to others you know. Be creative. Be true to your purpose. Remember the simplest approach can be the most effective.

Door to Door Canvass

The more *direct and personal* a fundraising method, the more *effective.* This puts door to door canvassing at the top of the list. But it isn't right for every organization. To be successful, a door to door campaign must be well staffed, by paid or volunteer solicitors. Your cause should have *wide appeal.* And you must be willing to commit a great deal of time to planning and management, possibly year-round.

The results can be most rewarding. Though many gifts will be small, there will be many of them. And you will be creating *grass roots awareness* and support of your organization. People remember the causes they support, regardless of the amount they donate.

Phone-A-Thon/Telethon

Less direct than door to door, a phone-a-thon nevertheless permits a *personal appeal* for contributions. Volunteers are recruited to donate a set number of hours or days for telephoning potential givers. Respondents who pledge a gift are mailed a thank you letter and invoice listing the amount promised. Follow-up calls are made to those not honoring their pledges within a specified time period. Thank you notes are sent when pledges are received.

Phone-a-thon costs are relatively small, and results *usually profitable.* You may be able to find a business willing to donate office space, telephones, and other needed equipment. This method requires a firm commitment of volunteer time and good organization.

A *telethon* is a televised phone-a-thon. Rather than phoning prospects, volunteers wait for viewers to call them following regular on-air appeals, usually by celebrity guests.

Before you consider a telethon, be aware that it is a *major event* that requires tremendous time and resources. Television time must be donated or purchased. Celebrities must be booked. Most telethons raise a majority of their pledges ahead of time, and use the event to announce the gifts—for visibility and new prospects.

Direct Mail

Less personal than the canvass or telephone, direct mail still offers *individual communication* with prospective donors. An organization develops a mailing list, writes a form letter, and mails it, bulk rate.

It sounds easy. But there are *drawbacks.* Direct mail is expensive, involving printing, paper, postage, and staff time. It has a low rate of return—only one percent of the initial mailing. It requires thorough planning and follow-through. But it's an excellent way to reach large numbers of people, some of whom will become regular contributors; a few others, major givers.

Direct mail has been refined to *an art and a science.* There are excellent books detailing everything from how to develop a mailing list to how to choose the most effective paper color and format. After you've done your homework, contact another nonprofit that has conducted a direct mail campaign. Most will share dos and don'ts. There also are professional mail services.

Example:
St. Peter's Child Development Centers more than doubled their direct mail income in just three years through a special test campaign. Their successful strategy included:

- Seed grant to fund campaign's first year.
- Purchased mailing list to supplement in-house list.

- Two-tier marketing plan to encourage major gifts. New prospects and regular givers under $25 received computerized, third-class mailings. Major donors ($25 and above) received personalized, first-class mailings (produced by St. Peter's on word processing equipment at Mellon Bank).
- Creative marketing, including photography, headlining and special graphic effects, and celebrity endorsement, all carried through on letters, brochures, response forms, and envelopes.

  St. Peter's increased both the number of major donors and the average amount given. More than 50% of their individual gift dollars now come from major donors, compared to 30% before the campaign.

Canister

The canister offers advantages of both direct and indirect contact. Among its numerous variations are the Salvation Army Christmas pot, UNICEF Halloween coin box, and baseball caps and collection cans at traffic intersections and special events. All make a *personal appeal* for support, while increasing the organization's *visibility.*

A stationary canister, placed near a busy cash register or other high traffic area, reminds discretionary spenders of your cause and need.

Though relatively simple to implement, this fundraising method still requires good organization and volunteer commitment.

Payroll Deduction

Getting to the money *before* your contributors is the philosophy behind employee payroll deduction programs. Make it easy for the employee to give, easy for the employer to collect, and, in theory, you have easy money. But it isn't that simple. The competition is stiff, and most employers prefer to collect for one organization, rather than for many. However, due to *high profitability,* you should consider at least one of the following payroll deduction options:

Federation Membership

The United Way is the best known payroll deduction federation. Member organizations agree to limit individual fundraising in favor of *group solicitation.* The federation handles all solicitation, collection, and allocation, reserving a percentage of funds raised for administrative expenses. Member agencies are allotted money by citizen review committees based on various criteria, including community need.

The advantages are obvious. Both employers and members save on administrative costs. However, there are disadvantages. Membership isn't guaranteed. Some federations have been criticized for being slow to add new organizations. Allocations aren't always sufficient to make up for restrictions on individual fundraising. Still, federations continue to be a mainstay of individual donations.

Donor Option

Until recently, only member agencies were eligible to receive federation funds. However, some United Ways have instituted a Donor Option Plan which permits donors to contribute to *qualified non-member agencies.* Though still experiencing growing pains, the Plan is gaining community support, for obvious reasons. It allows greater personal choice in giving, and therefore encourages broader-based donor participation. It also reinforces the idea of regular giving.

In southwestern Pennsylvania, the Plan works as follows. The United Way distributes Donor Option cards, upon request, during its regular annual campaign. Employees designate their gift to the charitable organization of their choice. The United Way deducts an administrative fee and distributes the money as designated.

Donor Option agencies must do their own soliciting. Due to employer resistance to multiple solicitations, many nonprofits contact potential givers through direct mail, flyers, personal contacts, union and employee meetings, and other methods. Prospects include members, directors, patrons, clients, volunteers, others associated with the organization, and the community at large.

Participating agencies generally report profitable returns. Donor Option is on its way to becoming one of the basics of a comprehensive fundraising program. Contact your local United Way office for details.

Do It Yourself Deduction Program

If participation in an existing federation isn't feasible, a nonprofit can start its own payroll deduction program. You can act *independently,* or form a *coalition* of nonprofits (federation). It won't be easy, but it is possible. Though many employers restrict payroll deductions to one organization, there are those who don't.

Start with employers sympathetic to your cause. If refused, be courteous, and go to the next prospect on your list. Include local colleges, small businesses, and government offices. Be prepared to knock on many doors, and be persistent. An employer who can't make a long-term commitment may be willing to help once.

> *Example:*
> The City of Pittsburgh initiated a payroll deduction program in response to a local food emergency. Every City employee was asked to contribute one dollar per payday (two dollars per month) to The Salvation Army Good Neighbor Emergency Food Fund. Seventy percent of the employees participated, donating $30,000 during the eight-month campaign.

Once you locate a willing employer, recruit an employee to coordinate the campaign at the work site. Provide brochures, posters, and other promotional materials. Schedule speakers and slide shows for different departments and employee groups. Arrange to have contributions collected through the employer's personnel office.

Employer Program

Not all employee payroll deduction programs are donee initiated. One of the largest—the *combined federal campaign*—is a fund drive conducted annually by the federal government to help its employees give to charitable causes. Some state and local governments offer similar assistance.

If you aren't receiving donations from one of these programs, contact officials at various levels of government to learn who's in charge of payroll deductions. Ask how your organization can join the list of qualified recipients. Ask to be included in speaking engagements and other campaign activities.

Matching Gifts

Many companies encourage employee support of nonprofits through a matching gifts program. Details vary, but employers generally match worker contributions according to a set ratio, such as one or two to one, up to a specified maximum. There may be minimum amounts eligible for matching. The program may be open to retirees, directors, and spouses.

In addition to cash gifts, some employers match the cash value of employee donations of real estate, art, bequests, and life insurance. A few match payroll deductions. Some companies contribute to organizations where their employees volunteer time, based on a dollar/hour formula. Mellon Bank honors its outstanding volunteers through a Volunteer of the Month Program. Winners receive a check for $500, payable to the organization for which the winner volunteers.

Most matching gifts traditionally have gone to educational institutions, but the door is opening to include cultural, health-related, and social service groups. Many experts see this area of giving as a *rich, largely undiscovered resource,* just waiting to be tapped. It's particularly attractive to employers who want to extend their philanthropy to communities beyond headquarter locations.

Though the potential is great, there are challenges. Contributions must be solicited through the employee. This should be done on an ongoing basis, through regular communications with members, contributors, directors, volunteers, clients, customers, everyone associated with your organization.

A few additional clues:

- Get a list of matching gift companies from the Council for Advancement and Support of Education (see Chapter 8, Print Resources). Localize to your community.
- Print a brochure or other listing of local matching gift companies. Distribute to potential donors.
- Promote matching gifts at every opportunity, e.g., newsletter, direct mail, phone-a-thon.
- Acknowledge gifts to both the employee and company.
- Keep accurate records of gifts—pledged, received and outstanding.
- Send a gentle reminder if the gift isn't received within a reasonable time period. Everyone makes mistakes.

There are occasions when you should contact the company directly: to initiate a program; to expand an existing program to include your organization; to encourage increased company participation through a change in giving ratios.

Annual Giving

Every organization needs a *core of loyal supporters* who can be counted on for a gift every year. These givers usually are developed over a period of years and include individuals and companies.

Once a year, the contributor is sent a personal letter requesting a pledge for a specified amount. The pledge may be paid in a lump sum or in payments. Thank you letters are personalized and signed by the board president. Regular contact is maintained to keep donors informed of the organization's activities and need for continuing support.

If a gift is substantial, the contributor may be honored with a special award. Inexpensive, creative reminders of the nonprofit's purpose often are the most valued.

Organizations differ on what constitutes an annual campaign and the best time to solicit, but there are some basics to remember:

- Set a fundraising goal and collection deadlines based on your annual budget.
- Review donor records to determine if and how much pledge requests should be raised over the preceding year.
- Don't take anyone for granted. Thank contributors for their past support and explain why you still need them.
- Add new prospects to your list regularly. Possibilities include directors, other contributors, corporate and business contacts. Ask community and religious leaders, bankers, and estate attorneys for recommendations.
- Maintain regular contact with contributors through newsletters, annual reports, progress reports, invitations to special events, phone calls, and personal visits.
- Remember that everyone is a potential major giver. An annual pledge of $10 monthly is $120 per year.

Memorial

Many nonprofits benefit from the custom of *honoring a friend or loved one* with a memorial (deceased) or tribute (living) contribution. Though not a mainstay of support, these gifts provide unrestricted income and increased community visibility.

Memorial and tribute donations can be solicited, indirectly, through reminders in newsletters and other regular communications with members and friends, and in informational or fundraising brochures. *Suggest occasions* for making tribute gifts, e.g., birthday, anniversary, retirement.

Send acknowledgements to both the contributor and the person or family of the person in whose name the gift has been made. Some organizations also publish memorials and tributes in newsletters or annual contributor reports. Major memorial gifts can be recognized by naming a special fund, room or section of the building in their honor.

Planned Giving

Where there's a will, there's a payday

As noted earlier, 7% of all charitable giving in America comes from bequests—gifts received at a donor's death. This is more money than either corporate donations (5%) or foundation grants (5%). And many experts feel it *will be much higher*—most Americans still die without a will.

Many nonprofits avoid the area of bequests and other planned gifts due to fears of high costs and the loss of regular contributions needed for daily operations.

Though a planned giving program can be *costly* to implement, experience shows it more than pays for itself for most organizations. Rather than siphoning off regular donations, it *encourages increased giving,* for the present and the future. It helps build a solid financial base, decreasing vulnerability to prevailing economic winds. Thus it should be part of every serious development program.

Stated simply, planned giving is the making of charitable gifts through wills, trusts, gift annuities, life insurance, securities, and real estate. Though sometimes called deferred giving, not all planned gifts are deferred. A brief description of the best known planned gifts follows.

Bequest	A gift made to a charity through a donor's will.
Life Insurance	In addition to death benefits, a nonprofit can be assigned annual policy dividends, annuity payments, maturing endowments, and cash surrenders.
Charitable Trust	Money or property given in trust to a charitable organization, in return for tax benefits and a fixed dollar or percentage income for the donor's lifetime, or as otherwise specified. Trusts can be short-term, and are irrevocable for the term of the trust. All have the potential for producing regular income for the nonprofit, over and above the amount reserved for the donor.
Charitable Gift Annuity	Cash or securities given in exchange for a fixed amount of annual income and tax benefits.
Pooled Income Fund	A trust formed with assets from several different donors. Each receives a pro rata share of income based on amount given.
Life Estate Contract	Real estate donated in return for tax advantages and the lifetime use of property by the donor.
Securities	Stocks and bonds donated outright in favor of reduced taxes.

These planned gifts may sound alike, but there are distinct differences between them, and complex variations within categories. Each type of gift offers special advantages based on tax laws and donor needs.

This is where cost enters in. A comprehensive planned giving program *requires expertise* in estate planning and law, taxes and investments. It's advisable to have a staff person just to solicit and manage planned gifts. This is in addition to a development director.

A planned giving program can be initiated on a smaller scale, by the organization director and volunteer experts. In time, with strong board of director support, you can have a full scale program. Any planned giving program will take from three to five years to show significant results.

Begin with research. Get all the facts and figures and sell the idea to your directors. Then develop a marketing plan, keeping in mind the following clues:

- Survey present contributors to establish a general donor profile. Most planned givers come from the top three percent of regular donors, but there are exceptions. A small contributor may be rich in property or securities, and thus a prime prospect. These and similar considerations should determine what kinds of gifts your donors are most likely to give. Solicit accordingly.
- Promote the idea of planned giving. Stress the importance of will and estate planning in your newsletter. Follow up with articles about the planning services you offer, changes in tax laws, and other giving updates. Announce important gifts received.
- Solicit regular contributors—your prime prospects—through direct mail, special fund-raising newsletters and brochures, telephone calls, and personal visits.
- Periodically contact local life underwriters and estate attorneys. Remind them of your willingness and ability to help solve their clients' estate planning needs.
- Offer will and estate planning workshops. If individualized attention seems appropriate, suggest personal consultation, including visits to the home or attorney's office.

- Once an individual becomes a planned giver, maintain regular communication. Recognize special contributors through an annual dinner or other social event.
- Publicize significant gifts through news releases, with donor permission.
- Cultivate associations with planned giving experts such as attorneys, financial trust officers, investment brokers, CPA's, tax specialists, and insurance underwriters. Most willingly share general information, if you don't ask too often.
- Be smart about investments. If you lack expertise, get it from paid or volunteer consultants. Trust management can be arranged through a financial institution or management firm.
- Never underestimate a donor's potential. Many regular contributors, large and small, can give now for the present and future. Show them how to do it to your mutual benefit, and they're likely to share the good news with friends, thus creating new prospects.

Because planned giving is such a vast, complex resource area, it's imperative that you do extensive research before starting a program. A good place to start is Robert F. Sharpe's **Planned Giving Idea Book** (see Chapter 8, Print Resources). With patience, persistence, and planning, you'll be rewarded with a substantial payoff.

Endowment/Foundation
The gift that never stops giving

Some nonprofits take planned giving one step further and establish their own internal endowment or foundation. Large and small contributions are pooled into a single fund and invested—ensuring permanent interest income. Some also use a portion of the principal.

Growing numbers of nonprofits are developing such funds. Donors enjoy knowing they're *helping to perpetuate* a favorite charity. Organizations gain important protections against the loss of funding in certain government contractual agreements.

Like planned giving, the creation of an endowment or foundation involves complex legal and financial issues. It should be undertaken only after extensive research and planning.

Grant
The munificent obsession

Somewhere in America, some time ago, someone must have started the rumor that grants are the solution to every nonprofit money problem... because many nonprofits allocate a disproportionate amount of time and money chasing grants, when they should be pursuing renewable resources.

True, a few grants are renewable, and grants play a vital role in the funding of America's nonprofits. But they can't possibly live up to everyone's expectations. And they *aren't easy money.* The competition is getting tougher, the criteria more explicit, and grantors more discerning.

Still, there's a time and place for grant solicitation. To discover what that is, it's essential to understand grants and their purposes. A grant is money given in return for action promised. A grantor agrees to give a specified amount only on the condition that the nonprofit use it for a designated purpose. Though names and descriptions vary, a brief summary of the most commonly known grant types follows:

Capital	Usually made to established organizations to meet future service demands. Includes funding for land acquisition, building construction, and equipment purchase.
Challenge/matching	The pledge of a specified sum, to be paid only if the nonprofit raises an equal or otherwise designated amount.
Conditional	Similar to a challenge grant, but the grantee must satisfy some condition other than matching funds.
Earmarked	Grant made to a third party for use by a nonprofit just getting organized and that has applied for 501(c)(3) tax-exempt status. Allows the grantor to meet contributions requirements, and still help an organization it believes in.
Endowment	Funds donated for investment to provide a nonprofit with regular income.
Funding crisis	A number of grants to assist nonprofits experiencing unexpected or temporary financial problems, including: cash reserve, debt reduction, and emergency grants.
General support/unrestricted	The most liberal of grants, funds may be used for a broad range of organization needs, including general operating—usually at the recipient's discretion.
Research	Grants for medical, educational, and other types of research and associated research activities. Range from special projects to the construction of a research facility.
Seed	Start-up funding for a new program or organization. Sometimes renewable.
Technical assistance	Grant awarded to a nonprofit or to a third party to provide needed services (see Chapter 6, Services).

After deciding what kind of grant you need, discover where to get it. There are a number of possibilities. Though the best known grantmaker is the foundation, grants also are made by corporations, government and civic, service, and religious organizations. A brief outline of their basic characteristics follows.

Foundation

A foundation is a nonprofit organization created for the purpose of establishing or maintaining charitable, educational, religious, social, and other activities for the common good. Because foundations enjoy special tax privileges, they are required to donate at least five percent of the market value of their assets to charitable causes.

It's important to note that there are various *types of foundations.* Know the differences before making a grant request. Though exact definitions vary, they basically are as follows:

Independent/family foundation	Usually funded or endowed by a single source, such as an individual or family. Sometimes limits support to special purposes, such as the founder's designated cause or charity.
Company foundation	Funded by profit-making companies for the purpose of corporate giving. Often responsive to grant requests from organizations serving employee needs; research in company-related areas, and community projects located near company headquarters, plants, or branch offices. Typically give a large number of small grants.
Community foundation	Funded by gifts and bequests from many sources who want their contribution to benefit a particular city or region. Gifts may be restricted to a specific agency or field of service.

Operating foundation

Generally established by a nonprofit to fund its own programs. External grants are unusual.

For more information on foundations, visit the Foundation Center Collection in your area (see Chapter 8, Print Resources).

Corporation

Not all corporations have company foundations to channel their charitable giving. Even those that have foundations often reserve part of their gift dollars for direct allocation by the corporation.

The grantmaking *process differs* from company to company. In most cases, there is a contributions committee comprised of the chief executive officer and other senior management. It may meet monthly, quarterly, or annually. Some corporations give preference to organizations recommended by branch managers, or charities in which their employees are actively involved. Learn who does the staff work and ask for criteria and deadlines.

The Conference Board publishes an annual survey of corporate contributions (see Chapter 8, Print Resources).

Community Organization

Civic, service, and religious organizations are good prospects for *small grants* for ongoing programs or special projects. Jaycees, Junior League, Rotary, and auxiliaries are prominent examples. Contact usually is made through the local president or other leader, though some requests may be referred to state or national funding levels. Most likely to be funded are programs that provide for a well-known, shared, community need.

Government

Despite periodic changes in funding policy, *government is still big business.* Government continues to make grants—large and small—to nonprofits with creative ideas and aggressive follow-through. Though the emphasis may shift from federal to state or local offices, public funding is available for those interested enough to track it down.

Bank Trust Department

Banks and other financial institutions manage an impressive number of *trust funds* of all sizes. In some cases, the investment income is pre-designated for a specific purpose. In others, there may be more freedom for disseminating to charitable causes.

The decision making process differs, but typically includes the donor, family members, and perhaps, a trust officer. A phone call or visit to various trust officers should result in a listing of trust funds and eligibility requirements.

The Grantseeking Process

Learn as much as possible about grants and grantmakers to increase your opportunities for success. They vary almost as much as grantseekers do. Some discovery clues follow:

- Research potential grantmakers thoroughly. Use the library, chamber of commerce, local business and organization directories, yellow pages, government development and program offices. Put your ingenuity to work.
- Regularly review grant publications and periodicals. The **Foundation Directory** lists foundations according to preferred grant categories (capital, general operating, research) and special interests (art, education, health). The **Foundation Index Bimonthly** provides updates on current giving. The **Federal Register** and other government publications announce available grants and application requirements. These should be in the public library.

- Request an annual report and funding guidelines. Review interests and requirements. Note special restrictions and application deadlines and procedures. List the best prospects.
- Make an informal inquiry, by letter or phone, to the top prospects. Briefly describe your organization and need. Offer to send a formal funding proposal. Schedule a preliminary meeting to discuss proposal basics.
- Be realistic about the amount you request. It enhances your credibility and chance for success.
- Be aware that some grantmakers *expect* to be consulted in the early stages of project planning. This is particularly true of major project sponsors.
- Keep trying. If at first you don't succeed, go to the next grantmaker on the list. Some projects require multiple grants, thus simultaneous submissions to several grantmakers. Most funders appreciate knowing about all outstanding proposals.
- Don't limit yourself to local funding sources. If your proposal is unique, or of national significance, approach major, national grantmakers.
- Send proposals only to grantmakers expressing an interest in the project. Grant applications greatly exceed available funds and staff review capability. Repeated submissions of inappropriate requests may cause reviewers to pass over your proposals for those they know to be on target.
- Consider sharing a grant with another nonprofit. Grantmakers have long joined together to fund community projects. Creative nonprofits are gaining their support by doing the same.

    Example:
    Five cultural nonprofits on Pittsburgh's Northside secured a single grant from Mellon Bank to publish a cooperative inter-institutional brochure promoting educational tours to neighboring facilities. Institutions were individually highlighted, while the overall theme stressed the value of five learning experiences within close proximity. As a result, the single brochure was less expensive, and more effective, than individual ones would have been.

- Get to know the people who make the decisions and let them get to know you.

Good research, followed by a good proposal, will gain you consideration. A great proposal may get you the grant. There are numerous books explaining how to write a grant proposal. *Read several.* Use them for reference, along with grantmaker guidelines, as you prepare your request. Though criteria vary, most grantmakers expect a proposal to include the following:

Cover letter

Proposal Summary (Abstract)
Limit to one page and include the amount requested, total budget, project purpose, and planned results.

Introduction to Organization
History, general purpose, goals and objectives, accomplishments, service area, and population served.

Statement of Problem or Need

Project Goals and Objectives

Staffing Requirements
Job description, personal resumes, recruitment and training plans.

Implementation Method and Schedule

Evaluation Criteria and Procedures

Itemized Budget
Program and operating costs, other sources of funding.

Future Funding Plans

Appendix
Support documents, including tax-exempt status letter, board of directors listing, annual report, current operating budget, audited financial statement, recent and current funding sources (cash and in-kind), and community support letters.

Despite the volume of information required, keep the proposal *brief and to the point.* Don't beg. You have a legitimate need, prove it. Grantmakers want to know how their money will benefit the community, economy, and their special interests. Tell them in as *concrete terms* as possible. If you have an emotional story to tell, do it in the appendix, or on a follow-up visit.

Submission of the proposal is not the end of your involvement. There are several ways to remain active in the grantmaking process and enhance your chances for this and future grants.

- Two to four weeks after submitting a proposal, follow up with a phone call to confirm its arrival. Offer additional materials in support of the project. Arrange a personal visit to the grantmaker for further discussion. Invite the grantmaker to visit the site of the proposed project.
- Many corporation and foundation grant decisions are made by a board of directors or contributions committee. Learn when they're meeting and call the day before to provide additional last minute details.
- Grant decisions can take from a few weeks to more than a year. Plan accordingly and be patient, but persistent, in checking your proposal's progress.
- Upon acceptance, remember to say thank you. Also send regular progress reports on the project and other major activities. Keep grantmakers informed of your continuing success.
- Acknowledge rejections with a thank you (for consideration).
- Keep detailed records of all grant activities, including contacts and payments. Make an activity schedule for report deadlines and follow-up calls. This is particularly important for campaigns of long duration, such as capital fund drives.

Program-Related Investment
Getting credit for your good work

The next best thing to an outright grant is a program-related investment (PRI). Stated simply, a PRI is an equity investment, loan, or loan guarantee made by a foundation to serve a charitable purpose. It is sometimes called a *social investment.* Unlike grants, *PRI's must be repaid,* sometimes with the addition of a low interest rate.

Though PRI's vary by type and complexity, a majority support low-income and minority community development programs. Others include temporary advances to educational or cultural institutions for projects expected to become self-supporting, and the purchase of stock in a for-profit business that uses the money for charitable purposes. PRI's often are used to leverage broad-based community support for projects that otherwise might seem too risky for a single funder's involvement.

Strict regulations govern the making of PRI's. Foundations must prove that the money is being used only for a charitable purpose, and that the recipient could not have secured funding through normal financial sources. Despite this and other complications—and the risk of non-repayment— increasing numbers of foundations are making PRI's.

Before requesting this type of support, get all the facts. Start with the Ford Foundation, a PRI pioneer, and the Cooperative Assistance Fund, a PRI funding pool formed by several foundations (see Chapter 8, Print Resources).

Special Event

One for the money; two for the show

Overrated, underrated—special events have the distinction of being both. Overrated because they don't magically produce a year's operating budget at the flick of a wrist. Special events are *hard work,* even when they fail. Underrated because they offer much more than money. Community visibility and involvement, new donor prospects—special events have the *potential* to keep you in the public's eye and budget.

Thus, with the increasingly competitive nature of nonprofit fundraising, no organization can afford to ignore special events. The challenge is to find the right event—and the possibilities are unlimited. Art shows, athletic events, auctions, bazaars, benefit performances, bingo, celebrity events, cocktail parties, dances, dinners, excursions, flea markets, galas, holiday events— through every letter of the alphabet there are countless ideas.

Choosing the right event(s) is just the beginning. You also need *dedicated volunteers,* at least a minimal operating/promotional budget, and good organization. Hard work isn't enough. Creativity, timing, even the weather can make the difference in success or failure.

Therefore, it pays to do thorough research and planning before undertaking any special event. The place to start is **The Grass Roots Fundraising Book** by Joan Flanagan (see Chapter 8, Print Resources). It offers everything from creative ideas to planning and execution details. You might also want to remember the following clues:

- Allow plenty of lead time for planning and developing community support. Too many great ideas fail due to poor timing and organization. A year in advance isn't too soon to start on major events.
- Be creative. Choose an event that relates to your good work. Or, take advantage of current events. Caution: you need strong organizational skills and volunteer support to cash in on "in" events.
- Develop a budget and planning schedule—and stick to them. Keep detailed records of contacts, expenses, and receipts.
- Recruit volunteers to form a central planning committee. Get them to ask friends to serve as workers.

- Seek broad-based community support. This can vary, depending on the event, but there are numerous ways to involve students, businesses, employee groups, and civic organizations. Ask them to be sponsors, participants, underwriters. The March of Dimes uses all these methods to raise over $275,000 annually in their Greater Pittsburgh Walkathons.
- Annualize your most successful event. Turn it into a major fundraiser.
- Ask community groups to sponsor special events for you. One extremely successful example is Pittsburgh's Children's Hospital. Countless individuals, businesses, and community groups try to out-do one another year after year—raising millions of dollars annually through creative, fun, grass roots events. However, this type of support doesn't happen overnight, nor in a year. It takes years of ongoing awareness and development effort.
- Publicize the event through members, volunteers, everyone connected with your organization, and the general public. Use posters; flyers; bulletin board notices; announcements in newsletters and employee/civic group publications, and on school public address systems; public service announcements on radio, television and cable TV stations; feature stories in local papers, and other standard promotional methods. Ask for pro bono service from advertising and public relations firms.
- Include time for fun in your planning. Though most people participate for the cause, they're more likely to help again if they've had a good time.
- Show appreciation. Consider rewarding workers and top money raisers with inexpensive mementos of the event, such as a t-shirt. Some 500 volunteer harvesters are sporting colorful t-shirts provided by Mellon Bank which claim "I know how to pick 'em" at The Great Tomato Patch, a project which yielded 70 tons of produce for the Greater Pittsburgh Community Food Bank. Some nonprofits award more valuable prizes to top money-makers.
- Learn from your mistakes—and successes. Evaluate each event according to timing, visibility, cost, and financial gain. Determine how to do it better the next time. Get rid of events that consistently lose money, or bring too little return for the effort.

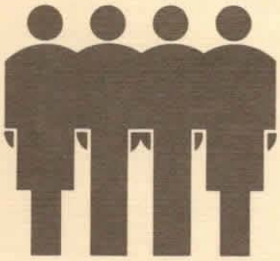
This concludes the outline of primary money resources. But it should be just the beginning of your discovery. As noted earlier, *everyone has money.* The nonprofit community hasn't begun to reach everyone, nor even potential major givers. It is for you to develop these and other resources to meet your organization's financial needs.

As you progress, keep in mind the following major points:

- *Know your organization*—who you are, what you do, why you're needed and what you need.
- *Know potential funders*—who they are, why they give and what they expect in return.
- *Be creative and organized.* Neither excels alone, but great ideas supported by thorough planning rarely fail.
- *Learn to share*—ideas, techniques, solutions to mutual problems.
- Remember that institutions, companies, other organizations don't give money; people in them *do.* Don't neglect the personal touches.

The final, most important, point is this: money isn't everything. For long term success, you must *integrate financial resources with other community resources*—people, goods, and services—into a program that makes the most of total resources.

People



People are the key to all resources—money, more people, goods, and services. For the purpose of this guide, people resources will be defined as persons giving their time free of charge, for a minimal fee, or for payment by a third party on a nonprofit's behalf.

Because people are everywhere, know everyone, and do everything, their resource *potential is unlimited.* The challenge is to discover how to utilize the most people, in the best combination, to your organization's greatest advantage.

Start with *Table 4,* which lists primary people resources and sources. Review the list with your organization in mind. Are you taking advantage of every resource? Have you tried all sources? Have you done the *unconventional,* e.g., asked a vendor to serve as director? Consider all the possibilities.

Table 4: People

Resources

Board of directors	Loaned executives
Volunteers	Interns
Consultants	

Sources

Employees	Small businesses
Members	Corporations
Clients	Doctors/lawyers/other professionals
Consumers	Foundations
Family and friends	Government (city, county, state, federal)
Alumni	Schools/colleges/universities
Auxiliaries	Unions
Contributors	Professional organizations
Volunteers	Police/fire/emergency departments
Retirees	Political organizations
Neighbors	Religious organizations
Vendors	News/entertainment/education media
Civic groups	Other nonprofits

Once you've considered the possibilities, use the chart to develop two profiles: one, current resources; two, needed resources. Plan a strategy for obtaining the people resources you need. As with money resources, the degree of success depends on creativity and organization. A summary of the primary people resources and some basic clues follows.

Board of Directors
Leadership prize indicators

A strong, informed board of directors is *fundamental* to any organization's success. It's essential to every aspect of your operations. Whether advisory or administrative, the board has the power to exert a positive—or negative—influence on everything you do. Don't settle for less than the best.

The ideal board is made up of skilled, dedicated persons actively involved in your organization or community, and sincerely committed to your purpose. It represents a broad range of community interests and skills, e.g., business, community service, financial, legal, philanthropic, and political. Members live up to the Junior League's three G's of board membership: *give, get, or get off.*

Board members must be chosen according to how they can help—as donors, fund-raisers, policy makers, or advisors. Everyone should have *something to offer*—money, time, expertise, or valuable contacts. Nonprofits no longer can afford the luxury of inactive board members.

A few clues toward developing a better board:

- Be creative and practical in your selection. Avoid cliques. Consider all sources in the resource list. Don't be afraid to try the unconventional.
- Apply the three G's test to everyone. List assets by individuals, e.g., financial expertise, consumer experience, important contacts, money.
- Orient members to your organization: history, purpose, services. Provide an information packet including your constitution, bylaws, organizational structure, budget, and other planning documents. Offer retreats, seminars, site visits, and similar learning experiences.
- Tell members what's expected of them, including a board charge and individual assignments.
- Make a wish list of needed resources: money, people, goods, services. Ask directors to help secure these resources.
- Provide regular updates on important issues, events, and resource needs. Ask again for guidance and support.
- Don't underestimate the value of the board. Make use of everyone's assets.
- Show appreciation. Treat members to a thank you social event. Recognize outstanding efforts with a special award or presentation.
- Limit membership terms to generate fresh ideas and prevent leadership stagnation.
- Consider creating a special ad hoc advisory group to supplement your board for special purposes, such as major construction campaigns. Honorary celebrity chairpersons are effective in this role.

Volunteers
Time is more than money

Volunteers are the cornerstones of America's nonprofits. Most owe their origins to individuals who cared enough about a community service to donate time to make it available. Some still are totally volunteer operations. Most use volunteers to supplement paid staff. *Every nonprofit needs volunteers.* Volunteers are touchstones to the community, reinforcing the fact that an organization is important enough to warrant their valuable time.

Volunteers are *changing.* They're becoming more aware, more selective about the things they're willing to do. They still want personal rewards, but some are asking for flexible hours, reimbursed expenses, training, and practical experience.

This doesn't mean volunteers won't continue to do the basics—stuffing envelopes, selling tickets, baking goodies. But they're looking for opportunities for greater personal expression and growth. The organization that appreciates all their talents will win their allegiance.

To begin, develop an action plan. Make a list of all the ways you use volunteers. Review the people list in *Table 4* and note how each source category might be helpful to you. *Dare to dream* of the ideal volunteer program and go after it. Some clues that may help:

- Survey staff to determine the need for volunteers. Remind them that no job is too large or too small. High-priced specialists volunteer along with busy homemakers.
- Develop volunteer job descriptions and training procedures.
- Itemize groups within the primary people categories, for example:

  Professionals—attorneys, doctors, artists, accountants, corporate retirees;

  Schools—instructors, students, parent groups;

  Civic groups—Kiwanis, American Association for Retired Persons, Junior League, and so on.

Continue to list within lists until you get to individual names.

- Plan a recruitment strategy, including personal visits, phone calls, letters, newsletter articles, posters, brochures, public service announcements, etc.
- Tap volunteers available through community volunteer programs, such as Pittsburgh's Volunteer Action Center, Retired Senior Volunteer Program (RSVP), and Generations Together. Check the phone directory for volunteer listings.
- Orient all volunteers to your organization. Train those unskilled at assigned tasks. Provide ongoing supervision and encouragement.
- Treat volunteers as if they are paid staff; assign real responsibilities and hold them accountable.
- Regularly inform volunteers about expenses that may be tax deductible, e.g., mileage, parking fees and tolls, donated money and goods.
- Show appreciation in every way possible: coffee and donuts, thank you notes, newsletter features, recognition dinners, special awards, etc.
- Try to smile through the no-shows and simply-socializers. The pluses of a good volunteer program really do outweigh the minuses.
- Have fun!

Consultants

Jacks of all trades and masters of some

Though consultants fall into several *people* categories—directors, volunteers, loaned executives—they're important enough for special mention. The successful nonprofit considers consultants as *essential* to its operations as money. Like money, they offer both short- and long-term benefits. They also provide an organization greater depth and credibility.

Whenever possible, obtain consultants free of charge, or at someone else's expense. When you must pay, at least *ask* for a nonprofit discount.

Broaden your concept of consultants to include everyone with a skill or knowledge to benefit your organization—professionals, tradespeople, merchants. Ask an electrician to donate electrical plans for a capital building project. Ask an accountant to help modernize your bookkeeping system. Review every aspect of your operations—facilities, staff training, marketing, fundraising, etc. Ask appropriate experts to help make them better.

Consider everyone. No one is too important to ask. If one prospect is too busy, ask for a referral to someone else. *Keep asking* until you get what you need. Remember special interest groups such as professional organizations, unions, retired executives. The Executive Service Corps is a network of retired and loaned executives in cities throughout the country, available at no charge or at a sliding fee based on ability to pay (see Chapter 8, Print Resources).

Be flexible, creative and considerate. Make it easy for a consultant to give an hour, a week, a month, or whatever time is available. Remember that a brief consultation by phone can be extremely effective for short-term solutions, but long-term progress requires a greater time commitment. Learn to know the difference.

Loaned Executives

If they don't have the money, ask for their time

One people resource with lots of room to grow is the loaned executive. A company lends personnel to a nonprofit in lieu of a monetary donation. A precious few do both. The employee is loaned for a specific purpose for a set period of time, ranging from a week to a year. The company continues to pay normal salary and benefits directly to the individual.

Loaned executives work at either the company or nonprofit site, or both, according to the terms of the agreement.

Some loans take the form of an executive exchange. An example is a corporate specialist who guest lectures a college course, while the regular instructor learns the latest corporate technology. Both gain through higher quality graduates as entry level employees.

Loaned executives are *not easy to come by.* They are not tax-deductible as a contribution, and represent a considerable expense to their employer. Therefore, you must prove they're worth the company's effort. This should be increasingly easy to do. Companies are becoming aware of the positive impact of community service programs on their employees' lives and productivity. It's your job to hasten their awareness, to your advantage. The following clues may help:

- Find the corporate connection. List all the ways your organization helps Corporation X, directly and indirectly. Also list all the ways their executives can help your organization, to your mutual benefit.
- Present your executive wish list to the appropriate corporate representative: community relations director, personnel manager, various departmental managers. It varies by company. First contact the department most closely tied to your need.
- Use personal contacts whenever possible. Ask members, consumers, directors, everyone associated with the organization for names, phone numbers, introductions.
- Keep trying till you succeed. Follow through with a thank you and a final progress report, listing the benefits to your organization, the corporation, and the community.
- Make executive assignments worth their time and talents.

Interns

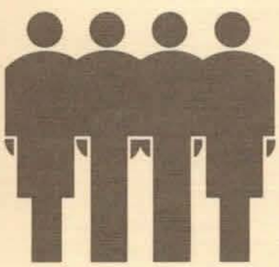
Making inexperience work for you

Though their value is debated by nonprofits and for-profits alike, there's no doubting the resource *potential* of interns. Generally, they're students nearing graduation or individuals seeking a career change. They offer their time at no charge, or for a stipend, in return for practical, on-the-job experience. The internship usually is limited to the length of a school term or its equivalent.

Some nonprofits complain that interns require too much management, and that they're no sooner trained than they're gone. Other organizations, including corporations and foundations, use interns effectively, occasionally retaining their services on a permanent basis.

Because of their potential, both as workers and future contacts in the community, *interns are worth the effort.* Increase your chances for success with the following clues:

- Allow adequate lead time—at least several months or one semester.
- Contact local colleges, universities, institutes, technical schools, job advisory services. Compile a list of available internships and their requirements.
- Develop a job description listing specific projects and tasks.
- Meet with the intern program manager and prospective interns. Discuss individual requirements, goals, time schedule, and rate of payment (if paid position).
- Provide ongoing supervision, guidance, and evaluation. Be candid about strengths and weaknesses.
- As much as possible, assign specific work projects, rather than general duties. They're easier to manage and evaluate... and more meaningful to the intern.
- Remember, you're in charge. Don't take the easy way out by doing it yourself. You'll both lose in the long run.
- Ask the intern to evaluate your program and performance. Learn how to do it better the next time.
- If dissatisfied with one intern program, shop around for another. Though essentially the same in theory, programs can be quite different in practice. A new advisor may make the difference. Don't be afraid to ask for skills and terms that work best for you.
- Ask a corporate contact for advice.



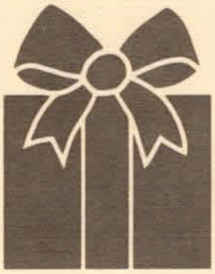
Obviously this doesn't begin to list the ways people are important to nonprofits... more than a substitute for money... more than a helping hand. People are individuals with ideas, talents, money, contacts, goods, services. They are the *source of all resources.* Discover how to use them most effectively for your organization.

As you do so, try to keep in mind the following points:

- People are not some impersonal, mass public. They are individuals known to you, your members, consumers, friends, volunteers, etc. They have names, addresses, phone numbers. Identify them.
- Most people won't know you need their help unless you ask. And they'll forget you need their help unless you ask again. Keep asking until you succeed.
- People are too valuable to waste. They need to know how, when, and why you need their time, talents, and other assets. Tell them, as concisely and as often as possible.
- Be organized but flexible, creative but practical. Have a people development plan and follow it.

One final point to keep in mind. In order to succeed, you must make people an integral part of a total resource package, along with money, goods, and services. *But people are the place to start.*

Goods



Any personal property of value, excluding money and securities, is a good. Often called a *money substitute*, a good is a vital *non-cash resource* for any organization. Successful nonprofits use goods not merely as substitutes, but as complements to their other resources, for a total resource package. The best-known examples of goods are office furniture, equipment, and supplies, but the possibilities are limited only by your needs and imagination.

Goods are available everywhere there are people... homes, businesses, governments, civic groups. A list of the primary goods resources and their sources follows:

Table 5: Goods

Resources

Used/surplus goods	Cooperative purchase/use
New products/merchandise	Loaned goods

Sources

Board of directors	Small businesses
Employees	Corporations
Members	Doctors/lawyers/other professionals
Clients	Foundations
Consumers	Government (city, county, state, federal)
Family and friends	Schools/colleges/universities
Alumni	Unions
Auxiliaries	Professional organizations
Contributors	Police/fire/emergency departments
Volunteers	Political organizations
Retirees	Religious organizations
Neighbors	News/entertainment/education media
Vendors	Other nonprofits
Civic groups	

Goods are obtainable in much the same way as the resources discussed earlier. List your needs, match them to the most probable sources and develop an action plan. A brief summary of the major categories follows.

Used/Surplus Goods

A rose is still a rose, even secondhand

Corporations probably are the most benevolent bestowers of used or surplus goods, usually in the form of outright donations of office furniture, equipment, or supplies. But there are many other sources. Government agencies regularly auction off surplus goods. Homemakers give food, toys, clothing, you name it. Prove you need something, for a good cause, and *it may be yours for the asking*... or for a bargain price.

Look first for obvious sources. Every business has furniture and equipment that must be replaced now and then. Make your request early. Ask your printer for odd lots of paper stock, for free or at a discount. Check newspapers for notices of surplus or going-out-of-business sales. Also watch for businesses or corporations planning to relocate. When Mellon Bank moved to a new headquarters building, it donated office furnishings with a fair market value of $100,000 to some 60 nonprofits.

Don't limit yourself to the conventional. Ask local government, school districts, or religious organizations to donate unused land or buildings for a charitable purpose. Ask a car dealer for a trade-in. Ask celebrities for used personal items for fundraisers. List all the goods you need. Think of all the ways you and a potential donor might benefit from a gift, and ask for it.

New Products/Merchandise

Realizing the impossible dream

Yes, it is possible to get new goods absolutely free. Nonprofits do it all the time. It's hard to imagine an organization that hasn't asked the business community for prizes for special events or fundraisers. But that's just one purpose for which people contribute goods.

Merchandisers often donate *surplus inventory,* rather than pay expensive storage costs. This is especially true of seasonal items or last year's models. Manufacturers test market and demonstrate new product lines. Offer your location as a *test site.*The possibilities are limited only by your imagination and marketing skills.

New product manufacturers and distributors are the best prospects. They're the most likely to benefit from the publicity and goodwill generated by their gift. Obvious associations are best. Ask a car dealer for a new car or van. Ask a florist or floral association for plants or flowers for your office or open house. Ask a computer company for a new computer and printer. The more direct the connection, the more obvious the benefit to the donor, the greater your chance for success.

No item is too large or small, or too expensive, to request. Be alert for new ideas. Read business reports for tips on new products. Get to know manufacturers. Watch for notices of seasonal surplus or overstock sales. Think of all the things money can buy and find a way to get what you need, absolutely free.

Loaned Goods

Both a borrower and a lender be

Sometimes it's better to borrow a good, rather than to buy or solicit it. This is particularly true of anything needed on a temporary or infrequent basis. Goods most commonly loaned include office equipment and space. But everything and everyone is fair game...coffee pots to concert halls, corporations to consumers. Most sources willingly lend goods for a worthy cause. Some charge a minimal fee to cover extra costs (utilities and maintenance) of using the goods on their premises. Others may ask for a security deposit.

To be a successful borrower, you must be creative, pragmatic, flexible, and dependable. If it's impractical to use a good at your location, ask to use it at the lender's site. As with used goods, consider both obvious and unobvious sources.

> *Example:*
> When not in use for its annual subscriber telethon, Pittsburgh's WQED-TV makes its studio and telephones available to local nonprofits for similar fundraisers. Local company sales offices also make available their phones to nonprofits for phone-a-thons.

Don't overlook any possible source, including other nonprofits. Offer to loan your resources on an equal basis.

It's also important to remember that, for the most part, loaned goods are not tax-deductible. You must convince potential sources that the loan will benefit them and the community. Show consideration and appreciation. Never request a good during a lender's seasonal rush. Always send a written thank you and return the borrowed good the next day in at least as good a condition as it was loaned to you.

Cooperative Purchase/Use

It's cheaper by the dozen

The next best thing to getting it free is getting it discount, as more and more non-profits are discovering. One of the most popular methods is the *joint purchase* of office supplies. Louise Child Care's bulk purchase program, noted in Chapter 3, is one example, but there are many others.

Some nonprofits ask private companies to *piggyback small orders* of equipment and supplies onto their larger orders, thereby benefiting from the large firm's volume discounts. This may take some time and effort to arrange, but the result's worth it. Ask companies who know and appreciate you.

Another way to make togetherness pay is the joint use of goods, as demonstrated by Pittsburgh's Hill House Association. The Association leases office space in its multi-purpose center to 20 private and public agencies. All realize a substantial annual per-square-foot cost savings, and the Hill House generates income as well.

Other ideas are as good as your imagination. List all the goods you need and use. List other organizations who share your needs, and schedule a meeting to develop the possibilities.

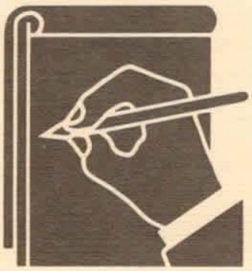
These are just a few of the ways nonprofits are getting goods they need by going directly to the source. Develop a goods acquisition plan for your organization, keeping in mind the following clues:

- Make a wish list of all needed items and potential sources. Use your ingenuity to develop new possibilities.
- Distribute the full list of goods to those closest to your organization (directors, members, volunteers, etc.) on a regular basis.
- List both cash and non-cash needs in all funding proposals. A source that can't give cash may donate part or all of the goods you need from surplus inventory.
- Review IRS regulations about charitable contributions. Ask your tax specialist to provide general guidelines and notable exceptions. Most goods are tax deductible at their fair market value or a percentage thereof. Some are nondeductible. Know the basics before contacting prospective donors. When in doubt, ask the IRS for a special ruling.
- Remember the primary reasons sources donate goods: tax deduction; improved employee morale or productivity; community visibility and goodwill; general community well being. Tell sources how their gift meets these criteria.
- Acknowledge gifts of goods, just as you would gifts of money. Announce gifts, i.e., land, equipment, through a general news release, with donor permission.

- Check the phone directory and other community resources for organizations that match community goods and services to nonprofit needs. Some key words are *cooperative, alliance, coalition, barter, association.* Notable examples are the Baltimore Neighborhood Resource Bank; "Donor Service" of the Volunteer Center of Los Angeles; The United Way of America's national "Gift-in-Kind" program, and Mellon Bank's "Good Neighbor Bank" at Pittsburgh's NeighborFair.
- Initiate your own goods exchange program.

Most importantly, remember that goods are a vital part of your total resource package. They require scavenger skills and creative brainstorming, but the result will be well worth it. And, there is a corollary bonus. As with money and people, your search for goods will further *expand your access* to other community assets.

Chapter 6: Services



Services are the most underrated of all community resources, often grouped with goods and loaned executives as *"in kind" gifts.* One reason for their low visibility is, with a few exceptions, services are not tax deductible as a charitable contribution. Some companies deduct the time used in performing a charitable service as a normal business expense. Others consider community service a business function and keep no record of its performance. Yet, services are a major source of support to successful nonprofits.

Corporations are the best known contributors, but the giving of services is undoubtedly a community affair. Small businesses, vendors, colleges, other nonprofits, individual professionals, and tradespeople... everyone providing a service for a fee is almost certainly also providing it free, or at a discount, for some worthy cause.

A list of the primary service categories and their sources follows, in *Table 6.*

Table 6: Services

Resources
Free/discount service
Shared service
Bartered service

Sources	
Board of directors	Small businesses
Employees	Corporations
Members	Doctors/lawyers/other professionals
Clients	Foundations
Consumers	Government (city, county, state, federal)
Family and friends	Schools/colleges/universities
Alumni	Unions
Auxiliaries	Professional organizations
Contributors	Police/fire/emergency departments
Volunteers	Political organizations
Retirees	Religious organizations
Neighbors	News/entertainment/education media
Vendors	Other nonprofits
Civic groups	

Services are acquired much like money, people and goods. First discover what services you need and what sources provide them. Then develop a strategy for obtaining the most services at the least cost, both in time and money. A brief summary of the major service categories follows:

Free/Discount Service

One good service deserves another

As previously noted, a primary motivation for charitable giving is to ensure the provision of vital community services. This is especially true of service gifts, for which there rarely are tax incentives. Services frequently are given to *the organization which asks first* (or most convincingly), rather than according to a set formula, as is customary with cash gifts. In fact, the difference in paying for a service and getting it free, or at a discount, often is in the asking.

The kinds of services available to nonprofits vary as much as service providers. However, you can't assume a source will donate only those services it sells. It also can give a service it provides for its own operations, such as accounting, budgeting or staff training. A list of some of the most commonly donated services follows:

Accounting

Advertising/public service announcements

Auditing

Audio-visual assistance (graphics; design; layout; production of films, publications, etc.)

Board development

Career counseling

Communications

Computer services/data processing

Employee/equipment access

Employee loan/exchange

Facility design/development

Fundraising/resource development

Investment counseling

Internships

Legal advice/assistance

Loans (no or low interest)

Mailing services

Marketing

Office management

Organization development

Printing/duplicating

Product development

Program planning/evaluation

Public relations/promotional assistance

Purchasing

Special event and meeting planning

Staff development/management

Survey development/administration

Tax services/advice

Telecommunications

Transportation

Volunteer training/management

One of the services most valued by successful nonprofits is technical assistance. Because it often develops long-term solutions to basic problems, it eliminates the need for short-term bandaging. This service frequently is provided by loaned executives and volunteer advisors, including directors and director contacts.

Technical assistance also is available through many nonproft organizations, usually at a cost based on ability to pay. Pittsburgh's Community Technical Assistance Center (CTAC) is a notable example, though there are numerous others, both in Pittsburgh and in most larger communities. For information about your area, contact the National Executive Service Corp, a network of executive service organizations operating in cities throughout the United States (see Chapter 8, Print Resources).

One word of warning about services: Non-paying clients are not a priority. Projects may take longer than paid services.

Shared Service
United you stand, at divided the cost

An old idea gaining new momentum among clever nonprofts is the sharing of mutually needed services. The bottom line is cost and time savings, and there are any number of ways to go about it. One-to-one arrangements, small consortiums, large umbrella groups, short- and long-term agreements... the possibilities are unlimited.

Some like-purposed nonprofits join together to purchase outside services, or to share existing internal services. Other, dissimilar, organizations share services due to their close geographic proximity. A few groups practice service sharing on a grand scale.

> *Example:*
> The Hospital Association of Pennsylvania near Harrisburg offers rental services to eight tenants, including all furnishings, office equipment, and utilities at a single per-square-foot rate. Tenants also have the option of participating in numerous additional services on a monthly basis, including: computerized payroll system, telephone service, mail room facility, photocopying, office supply services, administrative accounting, meeting rooms and food services, and printing. Most subscribe to one or several of the extra services.

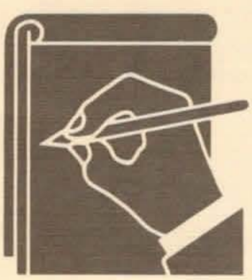
To start sharing, identify existing cooperative service groups. Check the phone directory or directory of charitable organizations and contact those nearest you, in distance and purpose. If none exists, be the first in your area to prove that togetherness pays.

Bartered Service
Getting something for nothing you'll miss

An obvious extension of shared service is the trading of services with nonprofits and other sources. The executive exchange noted in Chapter 4 is just one of many possible applications. Businesses actively engage in service "trade-outs." Follow their example and everyone will benefit.

Every organization has more service capacity than it needs in at least one area. Inventory your resources, including professional expertise and technological capability. Locate unused service hours and offer to exchange them with a source that has a service you need. Be creative. Consider all sources in the resource list. Offer employee training or counseling in return for computer technology for someone else's printing service. Provide free admission to arts and cultural events in exchange for vendor services. This is really an area where anything goes.

Like other types of matchmaking, bartering requires *strong communication and networking skills.* It isn't for the timid. But once you succeed, you'll find more and more ways to get something for nothing you'll ever miss, absolutely free.



The opportunities available to nonprofits for obtaining services are as specialized as each organization's needs, resources, creativity, and ambitions. The better you know your nonprofit, the easier it will be to increase your service resources. The following general clues may help:

- Ask employees and volunteers for regular updates on service needs. It's not unusual for one area of an organization to turn down a contribution desperately needed by another. Also request a listing of unused service hours, staff, and equipment. Actively trade and market with other nonprofits.

- Include service needs on all wish lists, including funding proposals. Distribute to employees, directors, volunteers, members, and other sources, as appropriate.
- Sharpen networking skills. Learn what sources are known for donating specific services. Keep a list for future reference.
- Don't be afraid or embarrassed to ask. You're providing a valued community service. Helping you helps the community.
- Be alert to hidden service needs. A recurring problem might require technical assistance.
- Show consideration and appreciation. Locate alternative sources to avoid overextending your welcome.

Be assured, service resources are well worth the extra time their development demands. You can't have a total resource package without them. With them, along with money, people, and goods, you *maximize your options* for success.

Final Clues

This guide doesn't provide all the answers. In fact, many of the questions are yet to be asked. Everyday, nonprofits are discovering new and exciting approaches to the challenges of resource development in the 80's.

Some of their strategies are repeated throughout this guide. They include the need to *think big.* Expand your definition of resources to include money, people, goods, and services. Dare to be different , creative, and strategic. Appeal to self interest. Demonstrate support from those you serve. Be assertive and *ask*. Share ideas and resources. Tell your story. Believe in yourself.

The importance of these strategies cannot be overstated. Some of them are recapped here to improve your discovery possibilities.

Research

Resource discovery begins with research. This is simply *fact-finding* to maximize awareness of your organization, community resources, and development strategies. It can be far-ranging, from informational phone calls and literature review to sophisticated consumer surveys and library research. It should be internal and external, continuing through all stages of resource development: self and community evaluation; identification of resources, needs and sources; solicitation planning; follow-up evaluation and reporting. It should cover at least the following basics:

Internal resources and needs (money, people, goods, and services)
What, who, where, when, why, how, and how much.

External resources and needs

Present sources
Giving history, motivation.

Potential new sources
Special interests, objectives, requirements.

Development strategies
Publications, experts, other nonprofits, past experience.

Evaluation

Once sufficient information is compiled, evaluation can begin. This means assessing all relevant data to determine where you are in comparison to where you should or want to be, based on community need. Like research, evaluation must be ongoing, through all stages of development, organizational and strategic. Some basics that should not be overlooked include:

Organizational structure, goals, and performance record (for the organization, fundraiser, volunteer program, resource network, whatever is being evaluated)

Existing resources and needs

Documentation of community need

Potential resources and needs, existing and future

Source goals and needs

Developmental strategies

Influential factors

Planning

Funders and other sources place emphasis on organizational and strategic planning, both immediate and long-term. They like knowing they're investing in something with a future. Develop *strategies and action plans* for everything you do... programming, fundraising, volunteer recruitment, etc. Some basics of a good plan are as follows:

Stated goals/objectives

Planning calendar, annual; daily for specific activities

Community calendar of major events

Budget, including projected income and expenses

Start-up resources (money, people, goods, services)

Current resources/needs listing

Job listing

Assigned leaders

Resource management plan

Cost monitoring and other record keeping system

Communications plan

Promotional strategy

Contingency plans

Evaluation process

Organization

No amount of planning can make up for poor organization. You have to be able to *put it all together* for success. The Child Health Association of Sewickley, Pennsylvania, is an outstanding example. This totally volunteer, nonprofit organization has had phenomenal success raising money through production and sales of its **Three Rivers Cookbook**. In just 11 years, they've made a net profit of over $750,000, and are still counting. Some of their organizational secrets follow:

Strong volunteer management
Volunteers do everything: solicit, taste-test, and proofread recipes; compile mailing lists; promote and market the books, including individual sales and solicitation of free advertising and display space.

Creative, aggressive marketing
Book insert order forms, wholesale discounts to retailers, cooking demonstrations in department stores and other high visibility areas, personal visits to marketing outlets and individual solicitation. All volunteers carry copies of the book everywhere they go to market to gourmet shops, bookstores, and other retailers.

Firm production schedule

Cost management
Competitive bidding, printer discounts, and production shortcuts.

Donor acknowledgement

Clear purpose
All profits are donated to other nonprofits for charitable purposes.

The secret of their success is obvious. Have a plan and stick to it. That's organization.

Communication/Marketing

The basics of communication and marketing are too complex to do them justice here. Suffice it to say, you can't succeed without them. They work hand in hand *to inform and to sell.* They are lifelines into your own organization and the community at large.

Fortunately, there's lots of help. Nonprofits often are in the enviable position of receiving for free or at a discount the same service for which for-profits must pay costly sums. Radio and television stations; newspapers; magazines; public relations, advertising and marketing firms; printers and production companies... most donate some portion of their services to charitable purposes. Recognize the value of such contributions. Treat them with respect and use them wisely.

Some communication and marketing tools are, by their nature, free. Letters to the editor, editorials, news and feature stories are a few examples. Yet even these generally are the result of ongoing communication and marketing efforts. And don't forget phone calls, internal memos and meetings, personal contacts. A partial listing of basic tools follows:

Annual report

Newsletter

Brochure, fact sheet

Public service announcement (radio, TV, cable, and closed circuit TV)

Print advertising (newspaper, magazine, employee publication)

News release/conference

News/feature/placed article

Letter to the editor

Editorial

Interview/talk show

Special, documentary, public education programming

Tie-in trailer to commercial programming

Wire service

Film, slide show, videotape

Speakers bureau

Bulletin board (office, school, church, community)

Poster, flyer

Lettered sign (bank, hotel, fast food)

Specialty advertising (balloon, calendar, t-shirt, in-house product)

Classified advertising

Chamber of commerce, business, trade, school, other publications

Public address system (school, office, manufacturer)

Talking robot (police, retailer)

Proposal, progress report

Clipping/scrap book

Photography

Staff meeting, in-service training, workshop, seminar

Billboard

Corporate sponsored advertising

Bus/train/subway card

Memo, phone call, personal contact, networking

Logo, slogan

This list offers a general idea of the kinds of sources available for effective internal and external communication and marketing. Use them for success. Also consult one of the many fine media guides now available, such as **The Pittsburgh Media Directory** by The Community Technical Assistance Center (see Chapter 8, Print Resources).

Cooperation

If ever there were a force to *impact the future* of nonprofit programming and development, it's the current trend of cooperation. Sharing, coalescing, trading, collaborating—by all of its names, togetherness is the key to success for the future. Funders and other sources are increasingly looking for cooperative solutions to community needs. These take many forms, from basic networking and information sharing to shared grants, goods, and services and sophisticated government/private/community partnerships. Some notable examples follow:

Pittsburgh/Allegheny County Cultural Alliance (PACCA)

An umbrella group of nearly 40 arts and cultural groups, PACCA members cooperatively share information and services. Among their successes: equipment recycling program, office supplies purchasing program, calendar of events clearinghouse, monthly breakfast group meetings, grant planning workshops, centralized ticket outlet (TIX) for arts and cultural affairs.

Neighborhood Assistance Programs

Pennsylvania, through its State Department of Community Affairs, was the first of several states to establish a system of tax credits for corporations investing in community nonprofit enterprises. Missouri, Indiana, Florida, Virginia are among the states that offer tax credits for donations of goods, services, or cash to eligible programs. Contact your state government for details.

Pittsburgh Partnership for Neighborhood Development

This partnership of five community development corporations and four funders—government, corporate, local and national foundations—works to improve neighborhoods through physical, economic, and social projects. Achievements include job creation, new retail and commercial space, upgraded existing space, and the building and management of low-income housing.

Opportunities for cooperation are limited. Look for them. Create them. There's little doubt, the successful nonprofits of tomorrow will be those which learn to *become active partners* in making the most of available resources for the community good.

Relevance

Sources are more responsive to a resource request when they understand its relevance to their own or the community's needs. To make the most of cooperation and other development techniques, you must be able to *establish these relationships* between even seemingly unconnected entities.

One example is the "Package for Employee Health Promotion" by Pittsburgh's Health Education Center (HEC). For a fee, HEC offers local businesses a full range of worksite services and advice, including employee health awareness meetings, employee health surveys, and confidential analyses. HEC provides training and support materials. Employees benefit from improved health. Businesses gain from lower benefit costs and healthier, more productive employees.

Though this association is obvious, many are not. Step outside your organization. Take an objective look at your role, your contribution to the community. Visualize your relevance to the community and its respective resource providers.

Creativity

It isn't true that you have to be born with it. Creativity *can be learned.* While some have more innate ability than others, everyone has creative potential. Creativity is the ability to make light from darkness, wine from grapes, cookies from oatmeal. It's imagining the impossible and making it happen. It's being original, resourceful, unconventional, different.

Nonprofit organizations are known for their creativity—necessity is the mother of invention. One example is better than another. Pittsburgh's Bidwell, Inc. shows particular skill at making the creative practical.

> *Example:*
> Bidwell provides nine-month training opportunities for the disadvantaged in the areas of brick masonry, carpentry, plumbing, electrical wiring, and secretarial science/word processing. To construct its new facility, at 50% less than market cost, Bidwell secured service donations from an architect, project management firm, and attorneys. It also required contractors to use students at the work site and to hire them upon completion of the project.

That's putting it all together for success. To develop your creative talents, remember that personal experience is a great teacher. Observation, too. Positive thinking also helps. Open your mind to the possibilities, look beyond the obvious, and you'll have it.

This concludes this guide to total resources. Use it to your advantage; expand and adapt it as you continue to discover total community resources.

Print Resources

A few basics to begin your discovery research:

Periodicals

Federal Register, published daily, Monday through Friday, by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408. $300/year by subscription.

Foundation Grants Index Bimonthly, published by The Foundation Center, 79 Fifth Avenue, Box CE, New York, New York 10003

Foundation News, published bimonthly by the Council on Foundations, 1828 L Street NW, Washington, D.C. 20036

The Grantsmanship Center NEWS, published six times per year by The Grantsmanship Center, 1031 South Grand Avenue, Los Angeles, California 90015

Grassroots Fundraising Journal, P.O.Box 14754, San Francisco, California 94114

Nonprofit World Report, published bimonthly by The Society for Nonprofit Organizations, 6314 Odana Road, Suite 1, Madison, Wisconsin 53719

The Philanthropy Monthly by the Non-Profit Report, P.O. Box 989, New Milford, Connecticut 06776

Publications

Annual Survey of Corporate Contributions, published by The Conference Board, Inc., 845 Third Avenue, New York, New York 10022

Foundation Directory, published by The Foundation Center, 79 Fifth Avenue, Eighth Floor, New York, New York 10003

Giving USA by American Association of Fund-Raising Counsel, Inc., 25 West 43rd Street, New York, New York 10036

The Grass Roots Fundraising Book by Joan Flanagan for the Youth Project, published by Contemporary Books, Inc., 180 North Michigan Avenue, Chicago, Illinois 60601

Pittsburgh Media Guide by The Community Technical Assistance Center, 307 Fourth Avenue, Suite 1305, Pittsburgh, Pennsylvania 15222

Planned Giving Idea Book by Robert F. Sharpe, Thomas Nelson Publishers, Nashville, Tennessee 37202

The Successful Volunteer Organization by Joan Flanagan, published by Contemporary Books, Inc., 180 North Michigan Avenue, Chicago, Illinois 60601

Other Sources

Baltimore Neighborhood Resource Bank, 340 North Charles Street, Baltimore, Maryland 21201

Cooperative Assistance Fund, Suite 701, 2021 K Street, N.W., Washington, D.C. 20006

Council for Advancement and Support of Education (CASE), 11 Dupont Circle, Washington, D.C. 20036

Ford Foundation, 320 East 43rd Street, New York, New York 10017

Foundation Center Cooperating Collection in your area. Contact the Foundation Center, 79 Fifth Avenue, New York, New York 10106

The Grantsmanship Center, 1031 South Grand Avenue, Los Angeles, California 90015

Independent Sector, 1828 L Street, N.W., Washington, D.C. 20036

National Executive Service Corps, 622 Third Avenue, New York, New York 10022

New Ventures, 251 Park Avenue South, 12th Floor, New York, New York 10010

United Way of America, Gifts-in-Kind Program, 701 North Fairfax Street, Alexandria, Virginia 22314-2088

Volunteer Center of Los Angeles, 11646 West Pico Boulevard, Los Angeles, California 90064

Working Assets Money Fund, 230 California Street, San Francisco, California 94111

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