

# Welcome

***Mission Possible: How to start  
and grow a thriving nonprofit***

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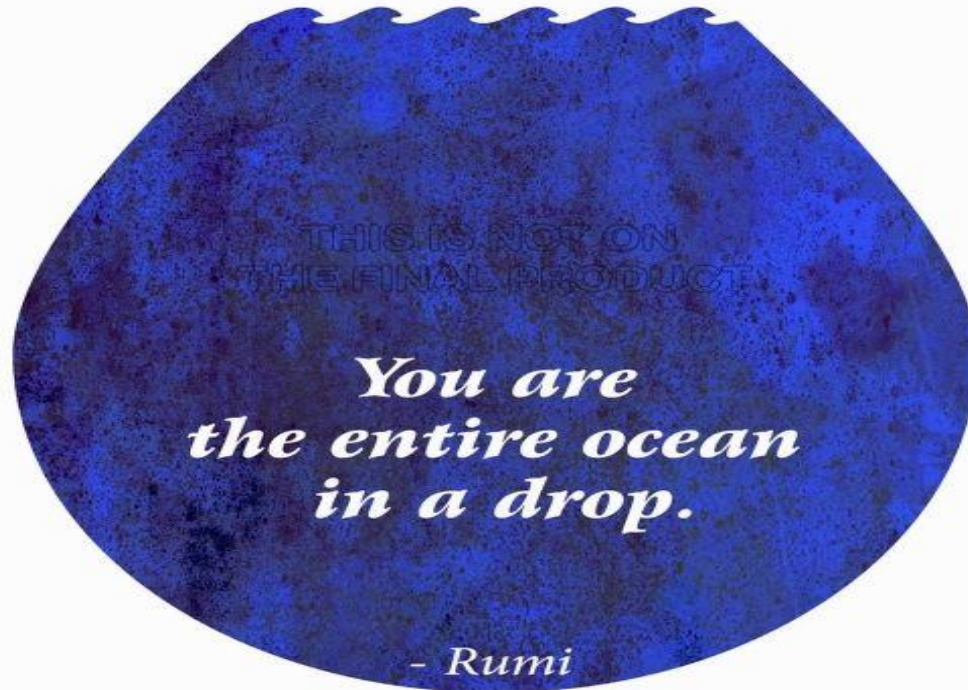
*Hartford Public Library*

*Hartford Foundation for Public Giving*

*Presenter: Roosevelt Smith*

# Inspiration

*You  
are not a  
drop in the ocean.*



***You are  
the entire ocean  
in a drop.***

*- Rumi*

# Objectives:

- Give you the confidence, conviction, and know how to start, run and grow a thriving nonprofit organization
- Identify sources and resources for nonprofit information

# Agenda

- Introductions
- What is a Nonprofit?
- What does success (impact) look like?
- Resources & Supports

# Introductions

- Name
- Purpose or cause?
- Who will benefit & How?
- Do you have your 501(c)(3)?
- What do you hope to get out of this session?

# What is a nonprofit organization?

Legal Structure  
Mission Purpose  
Business Model & Funding Plan  
Team

# Legal Structure

- Incorporation
- 501(c)(3) designation  
letter from IRS
- By Laws
- Board

# ALTERNATIVES to starting a 501(c)(3)

- Fiscal Sponsorship
- Become a PROGRAM of an existing organization – nonprofit or for profit



## \*Checklist #1:

Compliance

File annual IRS 990

Pay quarterly payroll taxes

# Mission Purpose

- What you do?
- Who you do it with/for?
- How you do it?

# Business Model & Planning

HOW

WHAT & WHY

WHO

← OPERATIONS

ENGAGEMENT →

## KEY PARTNERS



Who are our Key Partners and Key Suppliers?  
Which Key Resources are we acquiring from partners?  
Which Key Activities do our partners perform?  
Who will fund us?

### Example Partnerships

- Strategic alliances between non-competitors
- Joint ventures to create new "x"
- Cause Marketing Alliances
- Advocacy Alliances
- Buyer-Supplier relationships to assure reliable supplies
- Low-end donors
- High-end donors
- Philanthropists

## KEY ACTIVITIES



Which Key Activities do our Social Value Propositions require?  
What activities are needed to sustain operations?

### Categories

- Marketing
- Campaigns
- Events
- Production
- Development
- Training
- Networking
- Research
- Service Delivery

## KEY RESOURCES



What Key Resources do our Social Value Propositions Require?  
What other Key Resources are needed at the engagement level and the operations level?

### Examples

- Physical
- Intellectual (brand patents, copyrights, data)
- Human
- Financial

## SOCIAL VALUE PROPOSITION



What programs and services do we deliver?  
What problems or challenges are we trying to solve?  
What value do we deliver to Stakeholders?  
What's in it for our Stakeholders?

## RELATIONS



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?  
Which ones have we established?  
How are they integrated with the rest of our business model?  
How costly are they?

### Examples

- Community
- Co-creation
- Accountability
- Self-Service
- Direct Action
- Automated

## CHANNELS



How do we reach Stakeholders? How do they want to be reached regarding the delivery of our Social Value Proposition? How do we provide ongoing communications, support, and awareness?

### Examples

- Brick and mortar
- Online
- Mobile
- Purchase Touchpoints

## STAKEHOLDERS



Who are our Stakeholders? For whom are we creating value? Who helps us create Outcomes or our Social Value Propositions?

### Category 1

- Clients
- Constituencies
- Recipients

### Category 2

- Volunteers
- Participants
- Collaborative Partnerships
- Advocacy

### Category 3

- Customers
- Members

### Category 4

- High-End Donors
- Low-End Donors
- Philanthropists

## COST STRUCTURE



What does it really cost to run our nonprofit operations? What costs are inherent in our business model? Which Key Resources and Activities are the most expensive? What does it cost to run and maintain the Operations Level?

### Examples

- Operational Expenditures
- Administrative Costs
- Overhead
- Capital Expenditures
- Fixed Costs
- Variable Costs
- Economies of Scale/Scope

## VALUE CAPTURE



What value are Stakeholders truly willing to return or contribute? What routines and processes do they prefer? Mission-related milestones?

### Financial Measures:

- Donations
- Grants
- Sales Proceeds
- One-time Transactions
- Recurring Transactions
- Other Revenue

### Non-Financial Measures:

- Behavior Change
- Social Impact
- Mission-related Milestones/outcomes
- Membership Sign-ups
- Other metrics and KPIs
- Traffic
- Visitors

# Make the Case for Support

- **Mission** – Why do you exist? To do what for whom and how?
- **Goals** – What will you accomplish?  
Results
- **Objectives** – How you will obtain results?
- **History** – How long and how well?
- **Budget** – How much? From where?
- **Structure** – Who does what?

# Research

- WHAT is the need you plan to meet or change you seek to bring about?
- HOW BIG?
- WHERE?
- WHO ELSE is addressing the need?
- WHO will fund it?
- Who is willing to HELP you?
- What DATA do you have?

# Develop a Budget

## Exercise

\*Checklist 4

Handout p. 15

\*page 14

For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

# \$410.02 billion

## Where did the generosity come from?\*

**Giving by Individuals** ↑5.2% **70%**  
\$286.65 billion

increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

**Giving by Foundations** ↑6.0% **16%**  
\$66.90 billion

increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

**Giving by Bequest** ↑2.3% **9%**  
\$35.70 billion

increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

**Giving by Corporations** ↑8.0% **5%**  
\$20.77 billion

increased 8.0 percent (5.7 percent when inflation-adjusted) over 2016

### Contributions by source (by percentage of the total)



Visit [www.GivingUSA.org](http://www.GivingUSA.org) to learn more and to order your copy of *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*.



Giving to arts was the second-fastest growing subsector, with an 8.7 percent increase over the previous year to a total of \$19.51 billion in 2017.



Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.

## Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

- 👤 **31% Religion** ↕ \$127.37 billion
- 🎓 **14% Education** ↕ \$58.90 billion
- 👉 **12% Human Services** ↕ \$50.06 billion
- 🏛️ **11% To Foundations** ↕ \$45.89 billion
- ⊕ **9% Health** ↕ \$38.27 billion
- 💰 **7% Public-Society Benefit** ↕ \$29.59 billion
- 🎨 **5% Arts, Culture, and Humanities** ↕ \$19.51 billion
- 🌐 **6% International Affairs** ↕ \$22.97 billion
- 🌿 **3% Environment/Animals** ↕ \$11.83 billion
- 👤 **2% To Individuals** ↕ \$7.87 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.

\* All figures on this infographic are reported in current dollars unless otherwise noted.



# Principles of Fundraising

- Make the Case for Support
- The Purpose of Fundraising is to Build Relationships
- Choose Appropriate Strategies
- Diversify Your Funding Sources



# The Development Process

- Cultivation
- Solicitation
- Stewardship

# Identify “Qualified” Prospects

Must Fulfill All Three Criteria:

1. Ability - Have resources to give
2. Interest - Have a significant personal reason to be interested in our organization or have demonstrated interest in the problem
3. Link - Are accessible to us via a “link” person

# Develop Your Fundraising Approach

\*Checklist #5

Handouts pp. 17 - 18

\*page 16

# Team

- Develop a Solid Board
- Volunteers
- Staff

# Building Your Team

- What's Important?
  - Characteristics
  - Role/Expectations
  - Skills
  - Tasks to perform/Timing
- Exercise
  - List some characteristics and expectations
  - Decide on 3 – 5 immediate tasks for each

# Board Development

\*Checklist 6

Handouts pp. 21 – 30

\* Page 20

# How to Measure Impact

Funders expect to see that you are making a difference.

What does success look like programmatically and organizationally?

Nonprofit Life Cycle

# Evidence of Success:

1. A solid board of directors
2. Develop & implement a realistic plan
3. Develop and manage to a realistic budget
4. Success at raising funds from varied sources
5. DATA that shows your work & its impact



# Online Handouts

- The link to this workshop's resources on the NSP website:
- <http://nsp.hfpg.org/nsp/IdLikeTo/FindAdditionalResources/AdditionalResources.aspx> Click on "*Mission Possible: How to start and grow a thriving nonprofit*" and handouts.