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ASSESSING A NONPROFIT'S FUND DEVELOPMENT

A REPORT PREPARED FOR

LATINO BEHAVIORAL HEALTH SERVICES

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Dr. Jesus N. Valero

mpa.utah.edu

Assessing a Nonprofit's Fund Development

Report Written By:
Carlos Flores
Michael Hall
Danielle Lankford
Caleb Larkin
Shahar Lawrence
Sarah Senft

Report Cover & Editing:
Georgina Florence Griffith

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Executive Summary

The Objective of the Evaluation

This evaluation reviews the current fundraising practices of Latino Behavioral Health Services (LBHS), a nonprofit 501c3 organization located in Salt Lake City, UT. The proceeding report includes surveys, literature, and background material that help to form four key recommendations. We believe LBHS can apply these recommendations to their organization's funding strategy to improve donor acquisition and retention.

Areas of Focus

Organizational Background

Information on Latino Behavioral Health Services was compiled through in-person meetings, file sharing, and marketing materials. The organizational background includes LBHS' mission and vision, board and organizational structure, as well as marketing and fundraising strategies.

Strengths and Weaknesses

An evaluation of the strengths and weaknesses of Latino Behavioral Health Services fundraising and marketing strategies was completed highlighting a strong programming focus, and a lack of overall strategy and organizational structure.

Literature Review

A literature review was undertaken to explore related studies on nonprofit fundraising leadership, revenue diversification in nonprofits, nonprofit marketing, and fundraising best practices.

Best Practices

General fundraising best practices have been compiled using survey results from 8 similar nonprofits in the Salt Lake area. These results were used to pinpoint key fundraising practices including development staffing, donor tracking and stewardship systems, marketing materials, and diversification of funding sources.

Recommendations

The preceding background information, literature review, and survey results are concluded in the recommendation of four action items. These items include hiring a development staff member, investing in donor tracking software, creating and refining marketing and website strategies, and diversifying revenue streams. The appendix contains materials to help LBHS visualize these recommendations.

Introduction and Background

Latino Behavioral Health Services (LBHS) was established as a nonprofit organization in 2013. Since receiving their 501c3 they have grown exponentially, and have realized a need to increase their staff and funding sources in order to meet the demand for their services. Like most organizations, LBHS was created in order to fill a gap in public services. In this case the gap is one that exists between Latinos in the state of Utah and access to mental healthcare resources. To bridge the gap, LBHS maintains an all Latino staff of peers who are more in tune to the stigma that the Latino culture has towards mental health struggles.

Latino Behavioral Health Services has a passion for helping the entire community. They have expanded their efforts in order to reach not only Latinos in state of Utah, but all minorities seeking to get connected with resources related to mental health issues. As a grassroots organization, LBHS "exists to enhance mental health awareness and well-being of people with mental illness, their caregivers and loved ones through support, education, empowerment, facilitation of resources and services with competent responsiveness to cultural, socioeconomic and linguistic characteristics".

The programs offered by Latino Behavioral Health Services help not only the person affected by mental health struggles, but also emphasize continuous education for families as well. Their mission reads "Awareness, Empowerment and Recovery". Three words that, when combined with the vision, make a powerful statement that justifies the existence and ambitions of LBHS.

Latino Behavioral Health Services has several key goals that they work to attain. They want to educate minority communities and make them aware of how they can go about seeking help for mental illness. They also do not want the “fear and shame of asking for help” to be a barrier that prevents people from seeking the treatment they need. LBHS thinks that one way they can meet this need is by offering their services with a peer support staff that represents the very population they are trying to help. This aspect is essential to seeing their purpose manifest.

With that in mind, LBHS has developed a system that transforms recovered clients into certified peer specialists that help LBHS grow and develop their programs. Peer support specialists help to deliver services through one-on-one mentoring, teaching classes, and facilitating support groups. As previously stated, an overall goal for LBHS is to expand their programming to other minority populations in Salt Lake County. They also hope to expand their peer certification system to these populations so clients can better identify with their programs and mentors from a linguistic and cultural perspective.

Latino Behavioral Health Services has a working Board of Directors that mirrors their peer run model. Their members are “individuals who have personally been affected by both mental illness and minority status”. The Board of Directors consists of seven outstanding individuals with great passion for making LBHS’ vision come to fruition.

The President of the board, Teresa Molina, PhD, LCSW is also a co-founder of the organization. She came to Utah in 2006 where she has dedicated her time to helping people with mental health problems and substance abuse issues.

The Executive Director: Jacqueline Gomez Arias earned her Bachelor’s Degree in Sociology with a certificate in Human Services. She is the founder of the organization, and has a passion for helping people cope with the shock of immigrating into a different culture, as well as helping people with mental illness.

Family Programs Coordinator, Leticia Frias is also a co-founder with a passion for bringing mental health awareness to the community. She graduated from Westside Leadership Institute, and is a Certified Peer Support Specialist for the State of Utah.

Jesus Valero, PhD. brings his expertise in exploring partnerships between government and nonprofit organizations, as well as exploring leadership systems in nonprofits, and the impact of social media in public service. He earned his BA from the University of Texas-San Antonio, Master of Public Administration from the University of Texas-Pan American, and a PhD in public administration from the University of North Texas.

Treasurer, Patricia Riano has a passion for understanding the mental health relationship between a parent and a child. She received her BS and MBA degree in Colombia.

Mentor Service Provider and Financial officer, Zuleyma graduated with a degree in psychology from the University of Phoenix. She is passionate about behavioral health issues, and works tirelessly through LBHS to make a positive impact on her community.

Rick Cruz, PhD. completed his undergraduate degree in psychology from the University of Arizona, and his APA clinical internship at the University of Illinois. He received his PhD. with a focus on Child Clinical Psychology at the University of Washington, and is currently an assistant professor at Utah State University.

As stated, this board is a working board with the majority of the members acting as the service providers and office staff for LBHS. The board meets once a month, and requires a small contribution of $10 per board member every meeting. LBHS hopes to create a more formal governing board as they move forward, while still maintaining 51% percent of the board positions be filled by peers in the Latino community.

Latino Behavioral Health Services offers a wide variety of programs and services, including courses for entire families to help them manage family members who suffer from mental illness. They provide mentoring and resources for individuals, as well as expert help for people with suicidal ideation or attempts and substance abuse.

LBHS also provides workshops and public presentations to help raise awareness about mental health issues in the Latino community, and to provide information that may help guide families caring for a relative who may have a mental illness. LBHS has many resources that "offer case management and peer to peer mentoring" for little to no cost, and no one is ever turned away if they cannot pay.

There is a high demand for these types of services from the Latino community. Hispanics experience depression, poverty, suicide attempts, and a lack of access to resources at a considerably higher rate than the rest of the population. Hispanics tend to be also uninsured, and current trends indicate that these problems are worsening. With some 397,000 Latinos living in Utah, the community has long been underserved and left untreated. LBHS has targeted specific neighborhoods in Salt Lake, Utah, Summit and Weber Counties where minority populations are growing (http://www.latinobehavioral.org/).

Currently, the main way that Latino Behavioral Services promotes its services to the community is through word of mouth, calling 211, tabling events, community partnerships, and their website at http://www.latinobehavioral.org/. They also have a Facebook page on which they provide class videos, statistics, and more information about their services. On their website they provide a link where one can donate. However, it appears that this link is currently not working.

In terms of funding, LBHS relies primarily on large grants, fees for service, and volunteer hours to carry out their programming. They have several multi-year grants from foundations such as a 2-year, $10,000 grant from the Sorenson Foundation, and a 3-year, $80,000 grant from the Burton Foundation. Partnerships with the Utah Non-Profits Association, University of Utah Neighborhood Partners, and the National Alliance for Mental Illness give LBHS access to additional resources. This past year they secured funding to hire two AmeriCorps Vista members which they used to formalize positions for two existing staff members. Moving forward, LBHS hopes to secure funding for additional Vista members, as well as a grant in the amount of $300,00 in program support from the Substance Abuse and Mental Health Services Administration.

Strengths and Weaknesses

Latino Behavioral Health Services has the advantage of being the only organization that offers Spanish speaking mental health services in the state of Utah. As previously mentioned, they fill a gap which has led to a great demand for their services. Their staff and board of directors are made up of experts in the mental health and social work fields which has given them trustworthiness and respect, as well as made their programming and peer-to-peer training successful. They have several dedicated volunteers who donate their time and resources to the organization and its clientele. The services they provide are valuable, and there are several funders and corporate partners who would be interested in the work that they are doing. While LBHS has the need to grow, the question is if they have the capacity. LBHS has grown up around its programming, and while the programs have kept them afloat, it has also taken the focus away from the creation of the organization's structure and internal processes. This lack of structure has created several barriers to success including cultural differences, consistent staffing, lack of donor tracking and stewardship systems, concentrated funding sources, and a lack of effective marketing.

LBHS' peer run model has created some cultural and language barriers when applying for grants. With all their members being of the Latino community, they have lost grants due to misunderstandings around the grant wording and the meaning of specific terms. Other linguistic issues have come through on the organization's social media platforms. LBHS does have a website and a Facebook page. However, these webpages have grammatical issues, donation links that lead to nowhere, large blocks of text, and a lack of information. LBHS also has a lack of tangible marketing materials that could be beneficial for tabling events, and meeting with potential donors.

Documents have been created regarding tracking key metrics, and fundraising materials. These were created by a student intern, but once the intern left there was not a staff member who could step in to implement these measures. This lack of development staff is a key weakness that leads to problems with donor tracking and stewardship. Without these systems in place it will be difficult for LBHS to grow and diversify their funding base in a way that can sufficiently support their expansion.

Literature Review

In the ever-changing world of nonprofit fundraising, many different aspects and pieces of the process will affect how successful the outcome is. In an article called *The Nonprofit Marketing Process and Fundraising Performance of Humanitarian Organization: Empirical Analysis*, author Ljiljana Najev Cacija puts the focus on marketing efforts as a key piece of fundraising. Unfortunately, she points out, many nonprofit organizations do not spend enough money and time on marketing. Cacija (2016) wrote, "The lack of funds is identified as a fundamental problem in the implementation of nonprofit marketing" (p. 4). She goes on to say, "…some organizations perceive marketing to be a 'wasteful' activity and an unwanted source of expenses, regarding it as being unnecessary for the realization of objectives" (p. 4). Cacija expounds, however, past the initial need for funds spent on marketing by explaining the difference between "financial fundraising indicators" and "non-financial fundraising indicators", both of which play a significant role on the effectiveness of the fundraising efforts.

According to Cacija, financial fundraising indicators are a combination of multiple different factors. These are, "fundraising expenses, administrative expenses and overall expenses ratio and expense per collected monetary unit," or FACE (p. 4). She explains that the desired ratio should be at 35%. However, the non-financial fundraising indicators are equally as important. Cacija lists these factors as being, "number of employees and volunteers, trust of the wider public, satisfaction of beneficiaries, quality of service, public awareness about the problem, perceived reputation of organization, clarity and acceptance of reasons for support, dedication, and satisfaction of lifetime donors" (p. 4).

Coping with Success: New Challenges for Nonprofit Marketing by Katherine Gallagher and Charles Weinberg suggests that marketing in the nonprofit realm is just as competitive as the for-profit side, yet infinitely more complex. With the added pressure of nonfinancial objectives, missions, and an increasingly aware and attentive public, nonprofits do not have the leeway for taking risks. Yet if a nonprofit understands that marketing in NPO world is different, they can take advantage of these differences to find a successful marketing strategy that can provide sufficient funding and manages the nonfinancial goals in coordination and harmony with the incoming funds.

Nonprofit Marketing: Just How Far Has It Come? Is an article by Don Akchin that underlines the marketing aspect of fundraising for nonprofit organizations. In addition to an acknowledgement by most nonprofits that marketing is essential for survival in the marketplace culture nonprofits exist in, NPOs struggle to make the transition from reliance on kind-hearted donors who just "get it" when it comes to their mission to a business marketing plan to compete for donors' dollars and attention. They suggest a four step process for nonprofits to overcome some of the stigmas of marketing in their industry. First, do research and learn what the market needs, understanding both your services and potentially competition for your donors. Second, design your services around that need, understanding what the donors already know and what they want to know. Third promote your services through advertising, special events, or other publications including social media. Finally, evaluate the success of these promotions to determine which areas or advertisements produce the most attention or donations and adjust.

"While a number of nonprofits are adding marketing functions and the personnel to manage them, research strongly suggests that few nonprofits have adopted a comprehensive marketing approach to their operations." Most nonprofit marketers are not as highly trained in advertising and rate themselves surprisingly low in promotion and marketing skills. Nonprofits could easily find a marketing manager to be well worth the higher salary in their ability to bring in donations to the organization.

Authors Katarina Panic, Liselot Hudders and Veroline Cauberghe discuss how important an online presence is, in their article called *Fundraising in an Interactive Online Environment.* In their article, they start by explaining that having an updated and engaging website is crucial in raising funds, especially when raising them online. They elaborate on what aspects of a website are important for fundraising. They wrote, "Interactivity is often perceived as the key characteristic of digital media" (p. 337). Panic et al. (2016) described the concept further by explaining, "In terms of fundraising, interactivity offers the potential to strengthen the relationships with the existing donors and to attract new ones. In addition, the interactive aspect of websites offers the ability to execute financial transactions immediately online" (p. 337). The authors go on to explain how important it is for donors to be able to explore and learn what the organization is, what they do and what they stand for on their own time and in a safe (low pressure) environment (anonymously online).

In addition to making sure the organization has a strong online presence, they also described the benefits of utilizing a celebrity sponsor for the organization. Panic et al. wrote, "An effective differentiation strategy, which is frequently adopted in social marketing, and which has the potential to evoke affective reactions, can be achieved through the use of celebrity endorsement, (p. 334). This catches the attention of the donors and may pique their interest. The more interesting the celebrity, the more people will take notice. It is noted in the article that the term celebrity may mean something different for each organization. Perhaps selecting a local celebrity fits the organization and can do as much good as a nationally known public figure (Panic et al., 2016).

These non-financial factors are supported by Adrian Sargeant and Jen Shang (2016) in their article called *Outstanding Fundraising Practice: How do Nonprofits Substantively Increase Their Income?* Specifically, in their article, they emphasize the need for having the right people involved and getting those people the right training. After interviewing twenty-five CEOs of nonprofits who had continually experienced fundraising success, they wrote, "All our leaders stressed the importance of appointing the right team to assist them in their task, both team leaders and team members" (p. 48). They go on to explain that some of the traits to include in the selection of a fundraising team are experience and trust in the CEO and the CEO's vision. They also stress the importance of appointing people who, in return, have the trust of the CEO as well. They wrote, "Neither could succeed without the other" and "Typically, our interviewees sought individuals who 'thought' in the same way as they did and were thus also system thinkers. They also sought individuals who were able, ambitious, and determined to succeed" (p. 48).

Interestingly, the authors found that none of the fundraising CEOs who were interviewed measured success by a dollar number, rather, "They defined greatness in terms of delivering growth and substantive growth at that… None of our interviewees defined fundraising greatness without mentioning the impact that the enhanced income would have on the mission of the organization" (p. 45). This leads to another factor that was found to be consistent with all of the interviewees, passion. Sargeant and Shang (2016) go on to stress the importance of passion for the work of the organization by the fundraisers. They wrote, "A passion for the work and daring to believe in what might be achieved were considered paramount" (p. 45).

In Sargeant's and Shang's research, they felt the most crucial factor in creating a successful fundraising team was to have a leader who had prior experience in the field, and who led with a transformational leadership style as described by Bass in 1985. "Bass saw transformational leaders as operating on a deeply held set of personal values" (Sargeant & Shang, 2016). They go on to explain that this leadership style tends to unite the organization with its followers and helps to change beliefs about "what is achievable". Once these changes have been realized, their interviewees testified that superior results and increased motivation are typically both achieved.

The National Council of Nonprofits provides nonprofits with resources and guidelines to fundraising practices. The council provides links to IRS guidelines, as well as the charitable registration. In addition, they provide information if and when a nonprofit organization should hire a professional fundraising consultant. They emphasize there is no right or wrong way to set up the fundraising supervisor role, it can be done internally or externally, but organizations with funding need a manager in that position. However, if you decide to go with an outside contractor, make sure they are registered and have a solid understanding of state laws regarding fundraising. The council also recommends to record an agreement with a contractor in writing. When it comes to compensation for contractors, it is unethical to reward professional fundraising consultants or grant writers with a commission based on the percentage of funds they are able to acquire for your organization.

The Council of Nonprofits also provides resources for improving donor relations, both from a legal and tax perspective as well as showing appreciate and respect to donors, setting up charity auctions to set value to donations and setting up gift acceptance policies. Finally, they give information on using social media and other online methods for fundraising practices.

Fundraising: Good Strategies, Best Practices, and Useful Resources is a simple article that lays out to-the-point ideas for nonprofits to better gain funding for any organization. The first idea for improving funding practices is to be diverse. The more diverse your sources, the easier it will be to attain stable income.

Good strategies include understanding that sources of funding can come from individuals, businesses, government grants, earned income and other foundations. However, there are cautions of accepting money including: (1) avoiding “mission drift” where you go after all funding, regardless of capability with the organization’s mission. (2) Seek out and do research on potential donors who have similar priorities, missions, or interests. (3) Create an individual donor plan which includes transparency about operation costs and where their donations are actually going. (4) Make an effort to improve donor relationships to ensure continued and future donations, ideas include newsletters or sharing of success stories with donors to keep them invested. The article also suggests that all board members should be involved in fundraising. In addition, it suggests that special events can be an important mode of fundraising, and often can be easier than expected to set up.

Best practices cover the IRS rules for disclosing charity donations by: (1) providing written acknowledge to a donor for single donations of $250 or more and (2) providing a disclosure statement to donors for amounts of $75 or more for any combination of contributions and goods or services. Nonprofits who receive $25,000 or more in grants must obtain a Charitable Solicitation license, register any paid fundraising consultants and use a disclosure statement on all fundraising materials. Keep in mind that there is no one size fits all option for a percentage ratio of costs to expenses, so an organization must understand that when discussing costs of fundraising.

Another best practice includes keeping donors confidential and anonymous if requested, as well as to establish a gift acceptance policy for board members and staff. Finally, resources for funding listed include IRS charities area, Principles & Practices for Nonprofit Excellence: A Self-Help Tool for Organizational Effectiveness, and state Secretary of State departments.

Interestingly, C. Neal Davis takes the best practices of nonprofit fundraising a step further in his article called *Look Sharp, Feel Sharp, be Sharp and Listen – Anecdotal excellence: People, Places and Things.* Davis expounds on the importance of simple things such as, “appearance, health, ethics, virtue and giving attention to words as well as innuendo” (p.

393). Davis wrote that the, “most successful fundraising organization in the US, year in and year out is the Salvation Army” (p. 394-395). This isn’t from good luck. Davis explains that the Salvation Army possesses and demonstrates some of the basic characteristics that are crucial in being a successful fundraiser. Davis wrote, “They are believable in their approach, trustworthy in their utilization of funds, and respected for what they do” (p. 395). Davis also explained how important it is to exude excellence. This will attract trust, friends, and dollars. People give money so they can make a difference, so it’s important to “Look Sharp”. Davis discusses how it is actually quite important for people to receive some kind of recognition for their support. Whether that is by placing the donor’s name on a plaque under a stained glass window or simply updating them with what their money has enabled the organization to accomplish or sending them a thank-you card. Davis wrote, “George Bush (Sr.) wrote more than 10,000 handwritten thank-you notes prior to his 12 years as Vice-President and President; someone else said, ‘that may be why he became President’” (p. 395).

Davis also wrote that “demeanor is as important as depth of knowledge” (p. 396). However, demeanor and appearance are not the only important aspects to focus on. Another key aspect is retaining the trust of the donor. Failing to maintain this trust will also result in failing to retain their donations. In conclusion of his article, Davis explains that the first steps to looking sharp, being sharp, and feeling sharp start with the study of the art of observation, and building up experiences that can be used later for anecdotal reference to new donors.

In an article called *Fundraising in Difficult Economic Times: Best Practices*, authors Janel Curry, Scott Rodin, and Neil Carlson addressed the issue of fundraising during tough economic times. They argue that nonprofit fundraising success is hinges on using the correct approach with donors. After their research, they conclude that the most effective approach to take is a transformational one. They wrote, “Performance is related to a transformational approach to development work built on a compelling vision that is communicated clearly” (p. 241). They explain that a transformation approach to fundraising allows for donors to feel understood and included (Curry et al. 2012). “The top theme that arose from this analysis was that higher performance had been achieved by an increased emphasis on relationship building and face-to-face meetings with donors – building partnerships rather than donor lists” (p. 249). They added to this, however by writing about the importance of high quality and well organized communications with potential and established donors. They wrote, “The second most common theme identified in the written comments was around organizations developing more effective and integrated communications and public relations strategies. These strategies were more missional rather than appeal-driven” (p. 249).

Best Practices

“Nonprofit agencies differ greatly in the degree to which they have developed key organizational features including governance, financial resources, organizational development, internal operations, and core services.” (Schuh, 2006) An organization’s financial resources can reflect its ability to generate diverse funding sources needed to sustain itself.

In order to better understand how LBHS fund development compares with other organizations and to identify best practices our team conducted surveys and in-person interviews with the development directors of 8 well established nonprofit organizations. All the targeted organizations for this survey are publicly known for providing excellent service to the Salt Lake City community through health care services, mental health resources, and minority or diversity initiatives.

Organizations included Comunidades Unidas, The Community Foundation of Utah, Jewish Family Services, and the Family Support Center, Intermountain Healthcare, 4th Street Clinic, International Refugee Committee, and the Hope House. We received responses from 4 of the 8 organizations. A series of questions were asked regarding each organization's general fundraising practices, and overall fundraising strategy. The following results include fundraising best practices based on development challenges and opportunities gathered from the survey responses.

A nonprofit organization's survival is dependent on their ability to generate and secure funding. Nonprofit development strategies can contain many facets, and encompass soliciting donors and foundations, writing and managing grants, stewardship efforts, creating marketing materials, compiling annual reports, financials, and organizing fundraisers. Development staff may vary based on the organization's size and available resources, but it is important that at least one staff member can dedicate their time to creating and implementing a diverse and robust development plan. 100% of our surveyed nonprofits reported that they had at least one staff member dedicated to fund development. Larger organizations like the International Refugee Committee employ a whole development staff including a Development Manager, Grants Manager, Development Coordinator, Volunteer Coordinator, and AMERICORPS Vista members. While smaller nonprofits, for example Hope House rely on a Grant and Development Specialist along with their Executive Director to manage their fundraising efforts.

Based on our responses, local organizations spend an average of 5%-10% of their annual budget on fundraising efforts. Much of the annual fundraising budget often goes towards marketing materials and community and fundraising events. The number one way for acquiring new donors for the International Refugee Committee is through community events and tabling opportunities. Marketing materials included websites, handouts, newsletters, and grants proposals. These types of documents are seen as important for donors and the general public to learn about the important work a nonprofit is doing, and the impact that they have on their communities. All organizations also have up-to-date audited financials that are available upon request and via their websites.

With limited and competitive funding sources, it is crucial that nonprofit organizations strive to diversify their funding sources. All survey respondents noted that they utilize a variety of funding sources from Federal and State agencies to local and national foundations, individual donors, and corporations. In order to successfully diversify their funding, these organizations highlighted the importance of creating a culture of fundraising not only with their staff and board, but also with their local and corporate partners. Everyone associated with the nonprofit organization is given the responsibility to raise awareness about their mission and services, and to funnel potential funding opportunities along to the development team. Anyone who encounters a staff member, client, volunteer, or donor has the potential to become an advocate or supporter of that organization.

An additional way these organizations diversify their funding streams is through the use of strategic partnerships. 100% of the nonprofits surveyed reported that they collaborate or partner with local and national organizations. They targeted organizations that had the same goals in common, and that could provide funding or services that would help them to achieve their mission.

Once a gift or funding source is secured it is the organization’s responsibility to track and steward their donors. How well an organization stewards its donors can affect their funding retention, or the rate at which donors renew their support. Stewardship often goes beyond just sending a thank you note or reporting on a grant, and can include sending gifts, newsletters, and annual reports. Some organizations host informative "insider" presentations or programming specifically for donors. In order to effectively track donors, and stewardship efforts all our survey respondents noted that they had invested in some form of professional database or tracking software like Salesforce. This software allows organizations to not only track their donors, but to also be able to pull up-to-date information on monetary contributions and donors which can be useful for grant applications and annual reports. This data can also be used to analyze past fundraising efforts. While not all organizations can afford to purchase tracking software, utilizing spreadsheet tools such as Excel or Google Spreadsheets can be just as effective.

While many of the participating organizations faced challenges with finding unrestricted funding, or creating a formalized development plan when asked what they would do with 50% more funding they all reported that they would expand services for their clienteles. Some had more concrete plans to invest in specific tools that would make their organization more efficient, while others just stated that they would expand their treatments. It tended to be the more established organizations who knew exactly how they would spend the money, and in comparison, it was the smaller organizations who generally stated that 50% more funding would help them to expand their services. This is important when soliciting donations or submitting grants because organizations should be able to articulate, in a compelling way, why they need more funding, and exactly what they will do with it.

Larger organizations may have more staff and resources to secure funding opportunities, but that does not mean that a smaller organization cannot be successful or competitive in the development arena. If an organization is able to devote one staff member, and designate at least a portion of their operating budget towards fundraising activities then they can begin to build their donor base. Marketing materials, tracking systems, and stewardship plans are crucial when securing and maintaining donors. It may be easy for an organization to focus on their programming, or governance structures, but without reliable and diverse funding sources the nonprofit will not survive.

Recommendations

After having reviewed the state of LBHS's fund development, literature on fund development and best practices from community organizations, our team has identified four main recommendations for moving forward in this area.

First, we recommend coordinating staff and/or volunteers specific to fund development. Record keeping, and donor stewardship are just two of the many critical and time-consuming tasks that create a successful fund development plan. LBHS needs to prioritize these tasks by designating a person or persons to fully dedicate their time to development work. In the past, this has not been the case and it has created gaps in the records and planning that have left fund development lacking. An intern or a dedicated volunteer could be an affordable option for this small organization, and could provide a student with the opportunity to learn some necessary development skills. However, we would caution that these individuals would need to fulfill a time commitment or at the very least, be prepared to help pass on the job should they need to separate from LBHS. A job description might be created to outline these expectations and hold this team member and their supervisor(s) accountable for continuing the fund development work. An example of such a description has been included in Appendix A and B.

Our second recommendation is to invest in a donor database software, even if it is an inexpensive or rudimentary one, LBHS should find a software that works with their budget and allows them to pull basic donor reports and store important notes. While getting the database up to date will require time and effort, maintaining it from this point forward will ensure that LBHS can quickly and easily access pertinent donor information that will help them to assess their current donor base, make predictions for future fundraising activity, and develop a stewardship plan based on the level of giving. Donor record software will also make financial reporting on the income side much easier for the purposes of grant reporting and applications as long as it is meticulously maintained by a volunteer or staff member. Some options for donor database software, along with their functions and pricing plans, can be found in Appendix C.

In addition to these two practical recommendations, we would recommend that LBHS devise and implement a strategy for social media use and web presence that engages existing and potential donors. Today, the website contains no functioning donation button, nor any eye-catching statistics or tag lines. The Facebook page is mostly informational material. We would recommend the web pages be simplified to a few, pithy points for each topic. A “donate” button, strategically placed on most pages would likely drive more donations via the website. We would recommend that LBHS’s donation landing page remain simple as well. A few high-quality photos or statistics on clients would be sufficient to reinforce a potential donor’s willingness to give. The donation form itself should also remain simple. The less steps involved, the more likely a donor is to complete their transaction. Once this is functional, LBHS should devise a social media strategy that includes donor acquisition and stewardship. Sharing small wins, acknowledging corporate partners, and creating opportunities for conversation with donors will create more engagement among existing donors. High quality photos with short success stories, coupled with a link to the donation page will drive more unique traffic to the online giving platform and may help to acquire new donors. Engaging content will also lead to more followers, who may then be asked for donations. LBHS should strive to create brand recognition on the web and on social media by developing a style guide that outlines colors, fonts, and styles of photography to be used to create a cohesive image. This style guide may then be utilized to create needed marketing materials for corporate and individual fundraising, like the handouts pictured in Appendix D and E.

Ultimately the goal of these recommendations is that LBHS can diversify and grow its funding streams to a healthy mix of small individual donors, major individual donors, grants, corporate partnerships, and potentially earned income or endowments. An example of this can be found in Appendix F. Strong fund development and sustainability of organizations depend on this. Designating a staff member to development, purchasing a software, and improving marketing will all help to achieve robust a funding model. LBHS may also look into investing in membership organizations for networking and further learning opportunities on the subjects of these recommendations. Nonprofits can often take advantage of free workshops on data entry marketing, and revenue diversification. Empowering those who are passionate about mental health in the Latino community to become experts on these subjects and contribute their knowledge would be a boon for both this organization and for the community.

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Appendix A

Fund Development Manager Job Duties:

Tracking and Reporting Donations

When any donation comes in, you must report it in one of the following three tracking systems.

1. Individual Donors
    a. Record the following items (in _______ software or excel spreadsheet)
        i. Name
        ii. Email
        iii. Address
        iv. Phone Number
        v. Source – how they heard about us
        vi. Open to future donations
        vii. Open to future contact – Newsletter, etc.
        viii. Amount Donated
            1. Continual or one time?
    b. Run reports on monthly basis to include the following:
        i. New individual donors
            1. Compare to last month and six-month average
        ii. Total donation amount
            1. Compare to last month and six-month average
        iii. New communication efforts with current/previous individual donors
        iv. Locations and source trends
2. Business / Corporation Donors
    a. Record the following items (in _______ software or excel spreadsheet)
        i. Organization Name
        ii. Contact Person
        iii. Contact Email
        iv. Address
        v. Phone Number
        vi. Contact Phone Number
        vii. Source – how they heard about us
        viii. Open to future donations
        ix. Open to future contact – Newsletter, etc.
        x. Open to future partnership opportunities
        xi. Industry
        xii. Amount donated
            1. Continual or one time?
    b. Run reports on monthly basis to include the following:
        i. New business donors
            1. Compare to last month and six-month average
        ii. Total donation amount
            1. Compare to last month and six-month average
        iii. New communication efforts with current/previous business donors

            iv. Area and industry trends for the month
3. Grant Management
    a. Record the following items (in _______ software or excel spreadsheet)
        i. Grant Name
        ii. Amount
            1. Renewable?
                a. Timeline it is renewed? Monthly, annually, multi-annually
        iii. Requirements
            1. List all
            2. Highlight and identify requirements that:
                a. Have changed on the grant
                b. We've stopped meeting as an organization
                c. We're at risk of not meeting as an organization
    b. Run reports on monthly basis to include the following:
        i. New grants
            1. Compare to last year and three-year average
        ii. Total grant amount
            1. Compare to last year and three-year average
        iii. New efforts to meet requirements for grants
        iv. Identify potential grants and amount
            1. Why this grant?

Promoting Future Donations

1. Individual Donations
    a. Social Media connections
        i. Sharing articles
        ii. Creating and Posting material
            1. Based on current stories, successes, information that needs to be disseminated
    b. Donors referring donors
    c. Newsletter creation and outreach
    d. New opportunities to give outreach
2. Business / Corporation Donations
    a. Referral efforts from current corporate donors
    b. Potential partnerships based on:
        i. Area
        ii. Industry
3. Grants
    a. Research on grants in our:
        i. Industry
        ii. Area
    b. Grant workshop attendance
    c. Coordination with other nonprofits in the area / industry
        i. Learning from each other

Appendix B

Nonprofit Fund Development Manager Job Description:

We are looking to hire a fund manager to join our nonprofit organization dedicated to supporting the Latino population with mental health issues. You'll be joining an important cause to make a difference in your community.

If you are looking for a job that lets you work in the mental health world, provide value to your community, and using your skills to manage funding for our organization, then this is the perfect job for you!

We provide training, flexibility on hours, and the real ability to impact individuals to donate to a worthy cause.

About Latino Behavior Health Services

Latino Behavioral Health services, was established as a non-profit in 2013. The organization arose from its group of workers, "The NAMI Latino Task Force". The Latino Task Force was established in 2011 by community residents with nothing more than a passion to serve their community through NAMI Utah programs in Spanish. Currently LBHS partners with NAMI UT and does all NAMI programs in Spanish, University of Utah as a site for MSW interns, presentations throughout school to raise awareness and erase stigma of mental illness.

A huge factor in our success is our culture. We hire people for their potential, not their history, and do our best to put them on a course where they can be successful. While we don't tend to take ourselves too seriously, we do expect our team to be constantly growing, learning, and delivering results.

Your Life as a Fund Development Manager

Fund management requires a significant amount of data tracking. Your role will be to come in and help our team account for what is going on in our organization. As a nonprofit organization, our funding comes from three significant sources: (1) Federal Grants, (2) Individual Donors and (3) Corporation or Business Donations. The most important aspect of your position will be to record and track the funding our organization receives.

In addition, you will have opportunities to increase funds through donor reach out and diversification. The impact of increasing donors or fund sourcing will enable our organization to function more efficiently. You will face challenges in searching out and obtaining more grant opportunities, business partnerships and increasing individual donor opportunities.

Our goal is accurately track all our funding so we can ensure continued function as an organization. We also hope to diversify our funding in the future and you will have the incredible opportunity to be on the frontlines with pursuing funding sources and developing donor relations.

At the end of the day, your job will be a mix of tracking current donations and funding sources as well as pursuing relations with future donation opportunities.

Job Qualifications

- Experience in fund management and budgeting is a plus
- Experience using accounting software is a plus
- Above average Excel skills
- Remarkable organizational skills
- An attention to detail and accuracy
- Ability to work independently and efficiently
- Excellent oral and written communication skills
- Experience in social media tracking

Appendix C

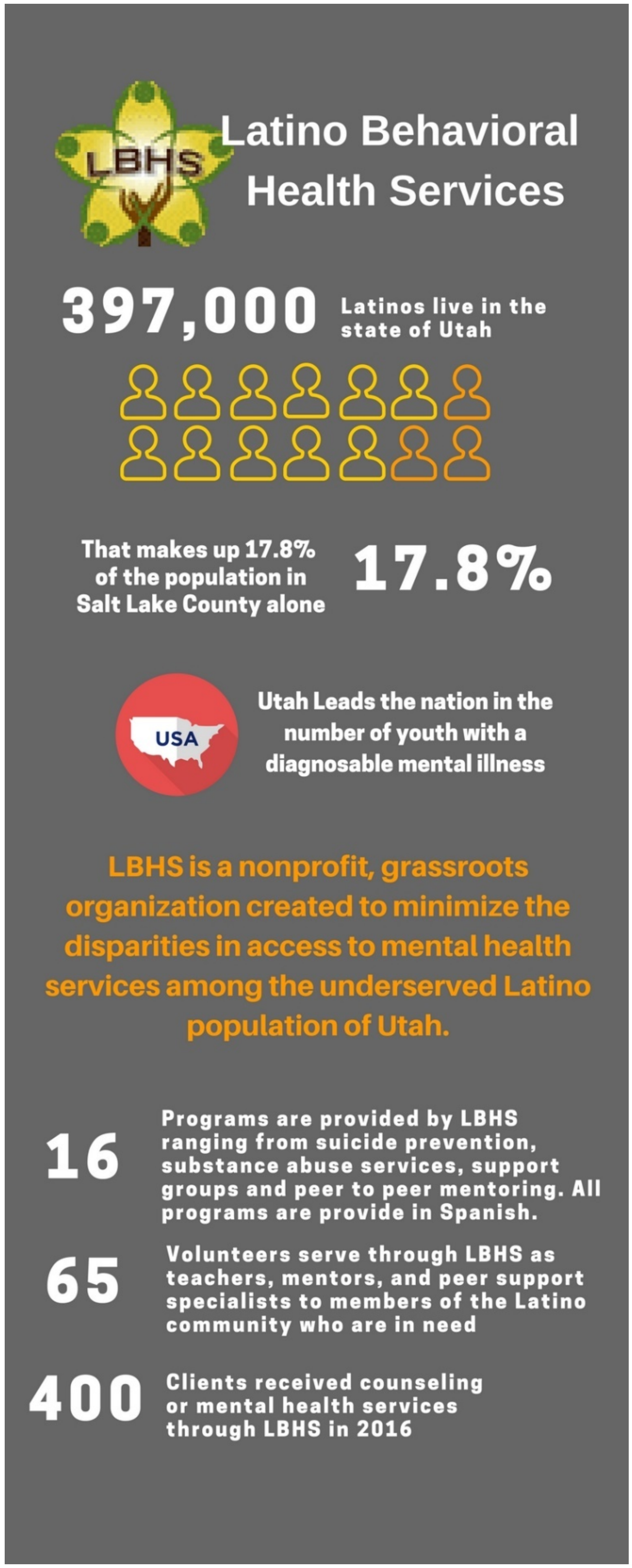
Tracking Software Comparison

Program Name	Cost	Mass Email	Sequence Enrollment	Edit Old Entries	Ability to Add Notes	Additional Features
MS Excel	Free	No	No	Yes	Yes	None
Google Sheets	Free	No	No	Yes	Yes	None
Salsa CRM	$249/mo. + 0.01 per record	Yes	Yes	Yes	Yes	See - https://www.salsalabs.com/donation-management-software-c-2
DonorPerfect Fundraising	$269/mo. for up to 7,500 records	Yes	Yes	Yes	Yes	See - https://www.donorperfect.com/fundraising-software/
Neon CRM	$315/mo. for up to 15,000 records	Yes	Yes	Yes	Yes	See - https://www.neoncrm.com/c-donation-management/?gartner_traffic=capterra
Aplos Donor Management	$180/mo. for up to 5,000 records	Yes	Yes	Yes	Yes	See - https://www.aplos.com/donor-management-software

Source: https://www.capterra.com/donation-management-software/

Appendix D

Marketing Handout with Key Metrics Highlighted



Source: Canva.com

Appendix E

Fundraising Handout

With your help we can reduce the cultural stigmas surrounding mental health in minority communities

Please consider donating today

Program Sponsor - $15,000

Considering supporting one of many important mental health programs provided by LBHS staff and volunteers

Event Sponsor - $10,000

Be the title sponsor of our annual fundraiser where all proceeds go towards LBHS programs

AmeriCorps Vista Sponsor - $5,000

Sponsor an AmeriCorps volunteer to assist LBHS for one full year

Scholarship Sponsor - $3,000

Provide a scholarship to a client to use towards counseling services or completing their peer support specialist training

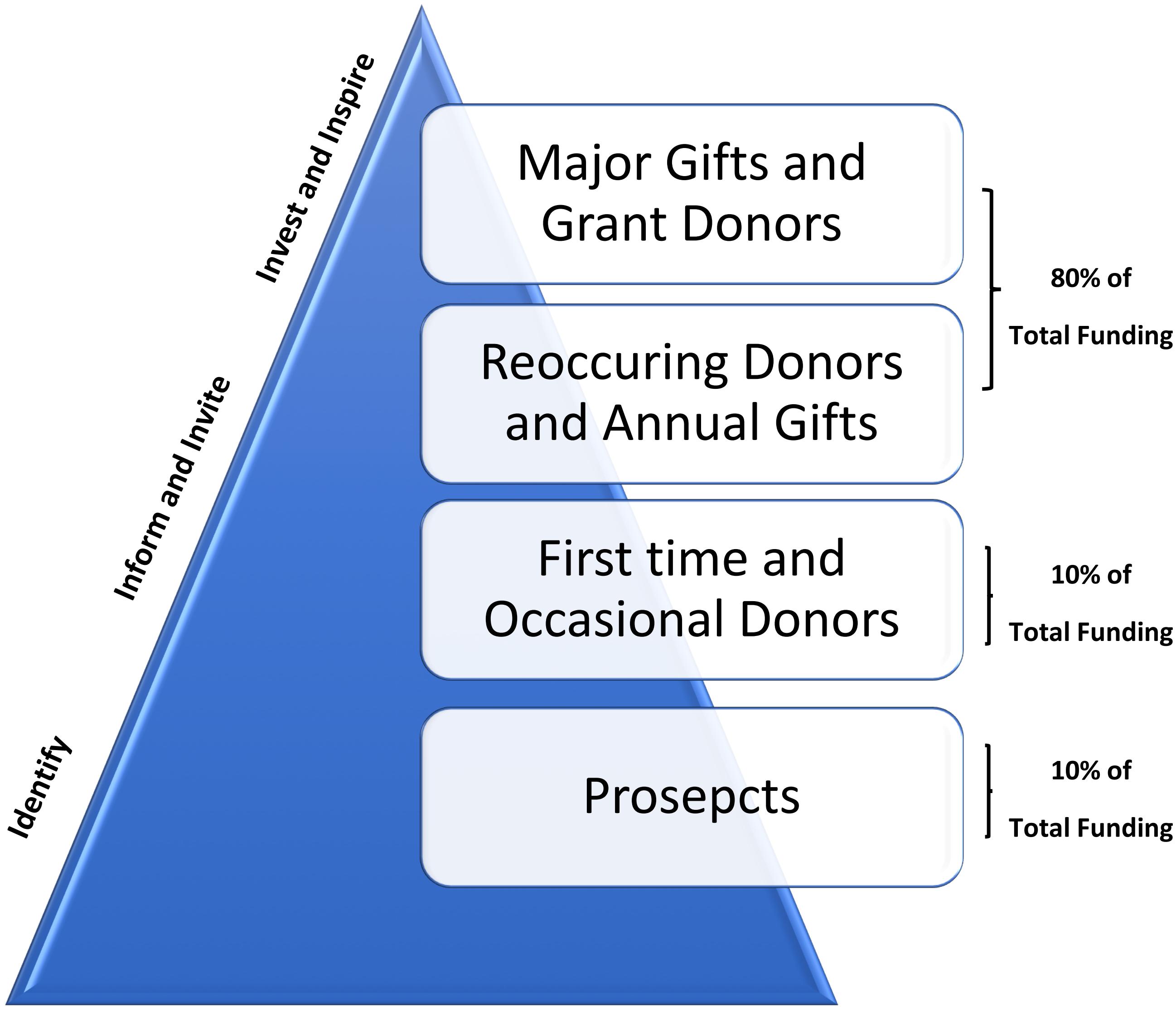
For more information visit: http://www.latinobehavioral.org/

Source: Canva.com

Appendix F

Example of Donor Diversification

This pyramid represents a bottom-up fundraising approach that can help to diversify funding streams. The pyramid template can also be used to create fundraising strategies that target each individual group.



You can use this to focus your attentions where you will get the biggest results, and on the right mix of contributions for LBHS. The greatest returns come from a small percentage of donors. Generally, 80% of gifts will come from 20% of donors in the top tier. To track to a goal of $500,000 your pyramid may include two gifts of $100,000, 4 gifts of 50,000, 5 gifts of $15,000, and 5 gifts of 5,000.