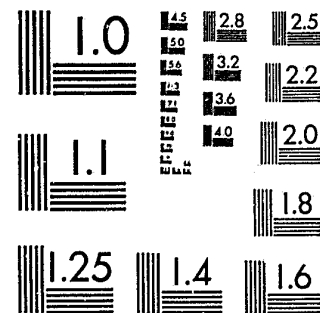


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RESOURCE DEVELOPMENT

FOR

NEIGHBORHOOD ORGANIZATIONS

JUVENILE JUSTICE PROJECT  
CENTER FOR COMMUNITY CHANGE

89539 195

RESOURCE DEVELOPMENT  
FOR  
NEIGHBORHOOD ORGANIZATIONS

Prepared by  
Deborah E. Brouse

Juvenile Justice Project  
Center for Community Change

April, 1982

This is one of a series of publications prepared by the Juvenile Justice Project, Center for Community Change, for use by community-based organizations which serve or represent youth. These booklets are intended to supplement the training and consultative services of the Juvenile Justice Project. The purpose of this series is to increase the capacity of local citizen groups to provide alternative youth services and to advocate for change in the institutions which affect youth. Booklets in the series include:

- Volunteers
- State and Local Budgets
- Resource Development for Neighborhood Organizations
- The Community Organization's Guide to Office Management
- Financial Management for Community Organizations

This project is supported by grant number 81-JA-AX-0001, awarded to the Center for Community Change, Washington, D.C., by the Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice. Points of view stated in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Justice.

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## INTRODUCTION

Resource development has never been a more pressing concern to community-based organizations than it is today. Federal funding for many social programs has been eliminated entirely, and the amount of money passed from the federal government to the states to administer similar programs has been significantly reduced. At the same time, the recessionary economy has constrained the ability of private foundations and corporations to make up for the cutbacks in public funding.

Many community-based organizations that have relied on these institutional sources of funding are being forced to develop new sources of support. Increasingly, they are finding it necessary -- or desirable -- to get their support directly from individuals in the community who benefit from their work. For that reason, many of the papers included in this publication focus on techniques for fundraising from individuals.

Since so much has been written on resource development, and so many excellent books and articles are widely available to community-based organizations, we did not try to cover the universe in this publications. Rather, we sought to supplement the materials that are staples in the libraries of most nonprofits (e.g., Grantsmanship Center reprints, The Grass Roots Fundraising Book, etc.). What we have provided here is:

- general information on resource development and on such institutional funding sources as the federal government, foundations and corporations, for which many other informative books and articles are widely available
- specific information to assist you in researching two institutional funding sources for which information is not widely available, namely, state funding sources and churches

- specific case studies on how two neighborhood organizations have successfully raised money from business and industry in their neighborhoods
- specific information on how to raise money from individuals in a variety of ways
- a guide to help small nonprofit organizations consider the feasibility of setting up and operating income-generating businesses
- an annotated bibliography to direct you to further resources

Many of the papers included here have been previously published elsewhere, and we would like to thank the authors and publishers who have generously let us reprint them. Please note that some of the items listed in the Table of Contents will be found in the pocket of the cover rather than bound with the rest of the text.

We hope that you will find these information tools useful in your resource development efforts.



FEAR AND LOATHING ON THE FUNDRAISING TRAIL\*

There is always some reluctance and skepticism when dealing with fundraising. Most people just don't feel they can bring themselves to ask someone for money. It carries pejorative connotations of begging or hard selling and besides, Mother always said it was poor manners to discuss money.

The people who must fundraise are the very people who have selected to work with or be associated with, an organization that is not dedicated to financial gain. By definition the organization is charitable, non-profit, and dedicated to providing a human service—be it educational, cultural, religious or a social service. Consequently, and ironically, the people who are the least oriented toward matters of finance are most often forced into learning to fundraise, as a means to support their organization's activities.

The first hurdle to clear before one can become an effective fundraiser is "the fear and loathing" of the fundraising act itself.

As long as fundraising as an activity is perceived as repugnant and demeaning, the best plans will never be implemented. Yet, we live in a political atmosphere where the necessity for developing alternative resources, other than government funding, has never been greater. It is imperative for organizations to learn to fundraise aggressively and enthusiastically in order to survive.

In conquering the fear of fundraising it is important to look clearly at two issues. The first is the attitude towards money. The organization must keep in mind that it provides a valuable community service, either free or at a rate affordable to its general clientele. Presumably a segment of the community larger than the direct recipient

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\*Reprinted with permission from Resource Development by Beverly Farrand. Washington, D. C.: Aurora Associates, Inc./Youth Services Institute, 1981.

population also benefits by the service. For example, a runaway shelter for youth may help to prevent crime. In so doing, it benefits the whole community, not just the particular young people served. Therefore, when you are fundraising you are selling that community a service, not asking for a handout. The agency needs money to continue and expand its services and in the face of government cutbacks, community fundraising is the only way to go.

The key is one's attitude towards money. Is it really distasteful to expect enough money to run your organization at an optimum level? Because you are a service organization must you assume you have to get by on less and always be scrounging? If fundraising can provide fiscal stability for the organization, how can it be a negative activity?

The second obstacle to hurdle is fear of rejection. No one likes to be rejected. However, in fundraising, rejection is certainly not personal. More often than not, if someone will talk to you about your cause, they are at least sympathetic. Although not everyone will contribute, very few will be blatantly rude and that behavior is certainly to be deplored and ignored. Most often the process encountered before one reaches a face-to-face meeting with a potential donor will ensure a fairly receptive audience.

Once having conquered the fear of fundraising, the next hurdle is to motivate those around you. Motivating volunteers and staff is an important dynamic in fundraising.

Some people just work hard because they believe in what they're doing and that's commendable but it doesn't mean you can't make a task more interesting by using some motivating techniques.

Here are a few:

1. Monetary incentives are great. Everyone can use some extra money. This can be done with a bonus for those who reach a particular fundraising goal. However, avoid tying a salary to fundraising since it is sometimes difficult to determine who raised what amount, especially since a Development Director's role is more that of organizer than actual solicitor. A monetary bonus can best be used when you have several staff working on the same campaign

function. Just be sure to establish the rules of the game at the outset, so that no one gets upset.

2. Another motivating technique is some sort of non-monetary award, such as a set of theater tickets or a dinner for two at some nice restaurant.
3. Sometimes a plaque or a certificate of merit given out at an awards dinner or event can also be an effective motivator.

The more you recognize your workers and your contributors, the more you will get in return. This is a cardinal rule of fundraising.

#### Recruiting Volunteers

The success of a fundraising campaign is largely dependent on the volunteers that can be attracted to work on it. This includes your Board and others you may wish to recruit as new Board members or in an advisory capacity.

When approaching people to join the campaign, remember that it is not a one way street. Although volunteers provide a valuable service to the organization, they also stand to benefit in several ways. Being involved in a campaign is a perfect opportunity for the volunteer to meet the executives of a particular company. This benefits the volunteers as well as making known the organization's fundraising needs. This is an interesting dynamic that one should be aware of when approaching an influential community member to join the campaign. Of course, this should be subtle. No one should ever solicit personal business when approaching a potential donor, but once one has met someone in any context, a contact has been made that may be valuable in other ways in the future.

Part of conquering fear and motivating volunteers to raise funds successfully is to give them something specific to do and in small enough doses so that they are not overwhelmed. Make sure everyone knows exactly what is expected of them and assign a specific time

frame for accomplishing each task. On the other hand if someone is unable to commit the necessary time to the campaign, move on to someone else. People who aren't going to work are of little value to the fundraising campaign.

"But I Can't Get My Board to Do Anything."

Staff have a tendency to categorize their Board of Directors as either too overpowering or too passive. Rather than be discouraged about the prospect of getting your Board to fundraise, keep the following points in mind.

1. Your Board members will be more inclined to work when they are assigned specific tasks and a specific time frame in which to complete the task.
2. Board members will be more inclined to participate in activities which are fun and immediately beneficial. Plan to work in attractive, comfortable surroundings. Keep meetings short and to the point, and build in time for socializing. Also, offer refreshments.
3. Don't try to squeeze blood out of a rock. If you have Board members who just won't work, don't waste time on them.
4. If your whole Board fits the above category, try putting together an "Advisory Fundraising Committee" of people recruited specifically to raise funds.
5. Every Board has its own dynamics. If you can't get the Board to participate without risking your own position (after all, you answer to the Board) then revert to some of the fundraising activities that are not Board-intensive, such as organizing benefits and writing proposals to foundations and government agencies.

Ways in Which Each Board Member Should Participate in Development

While Board members also make contributions to the organization in other areas, members should be expected to participate in development by doing the following:

1. Give according to their ability.
2. Help attract other volunteer workers.

3. Work to open doors to prospective donors.
4. Call on at least a few prospects carefully selected by the development staff.

Five Guidelines for Involving a Board Member<sup>1</sup>

1. Stress responsibility in development at the time the member is given a personal invitation to come on the Board.
2. Provide orientation and training for new members and refresher sessions for experienced members.
3. Assign specific tasks to each member.
4. Make sure the Executive Director and Board Chairperson encourage and recognize each member's involvement.
5. Conduct a careful survey of members, using the development staff. Identify their friends, connections, and interests. Assign prospects to them carefully, and support their efforts; say thanks and give them the recognition they deserve.

Confidence, enthusiasm, a good plan of action, and the knowledge that you are working to assure your organization's survival are the key ingredients to developing a successful fundraising campaign. The issues covered in this chapter should be openly discussed with both Board and staff members. Overcoming the "fear and loathing" of fundraising is the first essential step before planning the campaign. When you have changed your concept of fundraising from a repugnant act of begging to a personally rewarding and important professional effort that can be enjoyable for all involved, then you have made a significant step towards ensuring the financial stability of your organization.

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<sup>1</sup>Fundraising lecture by Erwin M. Sockulow, Director of Development, Johns Hopkins Hospital, December 13, 1976.

#### IN-KIND CONTRIBUTIONS\*

Most of what has been written about resource development concerns fundraising. But there is another facet of resource development that can benefit community-based organizations tremendously if it is done properly: the solicitation of in-kind contributions.

In-kind contributions include everything donated to an organization that is not money: property, equipment, supplies, office space, professional services, or nonprofessionals' volunteered time, for example. They may be obtained from individuals or other organizations of all types, from large corporations to small local businesses to other private, nonprofit groups.

Nonprofit groups like in-kind contributions because they allow them to get by on a smaller budget and because they can sometimes be used to "match" funds granted by funding sources with matching requirements. Donors like to make in-kind contributions because they feel good about helping a group that's serving a community need, they may get some good public relations value out of the gift, and they may be able to take a tax deduction.

While each in-kind gift in itself may not be as flexibly useful to your organization as a money gift would be, the effect of getting many in-kind gifts can be to allow the organization to get by on a much smaller budget. Some organizations obtain almost everything they need except paid staff by soliciting in-kind gifts in a careful systematic way.

The first step is to brainstorm a list of all the goods or services your organization can use. Then that list should be broken down into categories of "essential," "needed-but-not-absolutely-essential," and "desired," to help you target your solicitation efforts.

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\*By Deborah Brouse, Center for Community Change, 1982.

Then consider what sources of in-kind contributions would be the most likely prospects to approach for each item, beginning with the ones designated "essential."

Corporations and local small businesses often prefer to make in-kind gifts rather than money gifts to private, non-profit groups. Therefore, when approaching a business to ask for money, be sure to have with you a list of other things they might be able to contribute if they don't want to give you a grant. They may wish to donate products that they make or sell, used furniture or equipment, services (such as printing), conference room or exhibition space, or the skills and time of their employees. (Some companies go out of their way to encourage employees to volunteer time during non-work hours, and some actually allow employees to work for nonprofit groups during their regular salaried hours for a period of time.) Even when a company is reluctant to make an outright gift, they may be willing to lend some of the same items.

Businesses also may be willing to sponsor events or special activities of your organization if they seem to be related to what the company does and if they offer some positive PR value. For example, a bottle or can manufacturer might be willing to sponsor a recycling project, or a shoe company might print a booklet describing a walking tour of the city. This kind of matching-up of interests should be considered when approaching businesses for contributions.

Public agencies (including schools and libraries) and other nonprofit organizations, both large (universities and churches) and small, can also be possible sources of in-kind contributions and loans. They may have items donated to them that they can't use, or they may have a surplus of office equipment if they have to make staff cutbacks or move to smaller quarters. Sometimes

they have space in a building that they willingly let another organization use in exchange for, say, receptionist services, or security and building maintenance.

And finally, individuals can often provide in-kind donations. Volunteered time is probably the single most valuable kind of contribution made by individuals to community-based organizations,\* but it is only one kind of contribution they can make. Most people have items they can no longer use stored in their homes, and many would be only too happy to donate them to a nonprofit group if they knew they were needed. To tap this source of in-kind gifts, periodically place an announcement in your newsletter and/or in an appropriate column in the local newspaper saying that your organization is looking for donations of specific items, which you list.

A word is in order here about the donors' ability to deduct the value of in-kind gifts when figuring their personal income taxes. The current market value of tangible donated items may be deducted, as may any expenses the donors incur by contributing their services (expenses such as transportation, out-of-pocket expenditures). They may not, however, deduct the value of the time or professional services they contribute to the organization as individuals. Thus if an attorney contributed two hours of his time to work on revising a nonprofit organization's bylaws, he could not claim to have contributed \$150 or so worth of services, but only his transportation and supply costs (if any).

The deductibility of in-kind contributions from corporate income taxes is similarly defined. If an employee is allowed to spend his regular salaried time working for a nonprofit group,

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\*A great deal has been written about recruiting and effectively using volunteers in community organizations - both those that use volunteer staff and those whose members or constituents form their volunteer corps. For further information on this specialized in-kind resource, contact your Technical Assistance Specialist at the Center for Community Change.

the corporation can deduct the amount of that employee's salary for those hours when figuring their taxes. If the employee is not actually compensated for the time donated, however, the value of that time may not be deducted by the corporation. The fair market value of any tangible items donated may be deducted, just as with individuals' donations.

Even in situations where donors are not allowed to deduct the value of their donated time or services, it is still worthwhile for the nonprofit organization receiving the services to help keep track of that time and the amount of its value, for it may be used to help them meet the "matching funds" requirements of some funding sources.

The organization must keep careful records to be able to use in-kind contributions as "matching funds." A value should be assigned to each hour of volunteered time contributed by members of the regular (nonprofessional) volunteer corps, and time sheets or other documentation kept to record how many of these hours are contributed. When professionals agree to contribute their professional services, have them tell you in writing how much they normally charge for each hour of their work, and again, record how many hours they actually contribute.

Following is a partial list of some of the in-kind donations community-based organizations have been able to get. It is, at best, very incomplete. The only sure limit on the kinds of items that can be obtained is the limit of the solicitor's imagination, so be creative, and good luck!

Equipment

typewriters  
word processors  
computers  
telephones  
phone answering machines  
copying machines  
calculators  
vacuum cleaners  
floor polishers  
refrigerators  
hotplates  
coffee makers  
electric hot-water pots  
radios or TVs  
videotape machines  
cameras  
film and slide projectors  
smoke alarms  
burglar alarms  
dictating machines  
automobiles/trucks  
recreational equipment  
(weights, exercise machines,  
electronic games)  
record players  
law mowers  
sewing machines  
food processors or mixers  
microwave ovens or toaster ovens

Supplies

office furniture  
secretarial desk/supplies  
food (for clients, for special  
events)  
reference books  
camera film  
paint  
hardware supplies  
tools  
first-aid supplies  
paper  
paper products (cups, and plates,  
tissues)  
calendars  
cassette tapes  
gasoline  
recreation supplies (balls, nets,  
rackets.) jigsaw puzzles, uniforms)  
records  
batteries  
cleaning supplies  
yard maintenance tools  
locks for doors, windows,  
cabinets  
plants  
holiday decorations  
clothing (for clients)  
prizes or trophies for contests,  
raffles, etc.  
wine/beer/liquor for  
special events  
books

Services

automobile/truck maintenance  
and repair  
typing  
copying  
printing  
medical services (for clients,  
for staff physicals)  
painting  
yard maintenance  
cleaning  
training for staff  
mailing  
hand-distribution for fliers  
or newsletters  
repair and maintenance of  
office machinery  
transportation  
phone-answering  
carpentry  
tutoring (for clients)  
moving and hauling  
snow-shoveling  
catering  
laundering/dry-cleaning  
plumbing or electrical work  
accounting  
auditing  
management consulting  
public relations/marketing-consulting  
legal services

Other

covering expenses for  
utilities and/or phone  
office space  
property (e.g. for camping)  
space for program activities  
conference room space (for  
training, large meetings)  
tickets for films, concerts,  
sports events, amusement parks,  
or tokens for electronic game  
arcades  
subscriptions to publications  
sponsorship of events  
storage space

A. PUBLIC FUNDING SOURCES

PUBLIC SECTOR SUPPORT\*

Not since the 1930's has public spending gone through so many dramatic changes as evidenced by the policies of the current Administration. Changes underway in federal budget reductions and in the dismantling of federal programs are being accompanied by an equally significant shift of authority to allocate tax revenues for domestic programs. Fifty-seven federal grant programs designed to achieve specific goals in education, health, transportation, and urban aid have been converted into nine block grants that give the states wide discretion in how to apply these funds.

The implications of this shift are only now being reactively discussed. Clearly, state and local governments have no political motivation to raise taxes to replace lost federal revenues. Traditionally, people have lobbied in Washington, D.C. for grants, but this lobbying will now shift to state capitals. State and local governments are closer to their constituents and potentially, have greater responsiveness to their needs. However, the Reagan Administration's policy of shifting block grants to the state level may foster increased competition among local interest groups for a shrinking and limited dollar. In addition, the states' capacity to design and implement grant making programs is uneven. Some authorities even question the will of some state governments to accept responsibility to ensure the well-being of all their residents.

Another factor that needs to be addressed in analyzing this 1980's version of "state's rights" is the parallel curtailment in state revenues as a result of tax slashing initiatives such as California's Proposition 13 and Massachusetts' Proposition 2-1/2.

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\*Reprinted with permission from "Survival Planning for the '80s: Part II" by Tim Sweeney and Michael Seltzer, in Community Jobs, November 1981. Copyright of Community Careers Resource Center, 1520 16th St., N.W., Washington, D.C. 20036

As this article goes to press, it is too unclear to project all the implications in granting patterns and priorities for the public sector. We need to watch for the emergence of new monitoring and lobbying organizations and coalitions on the local and state level. Given this scenario, in order to stay abreast of these developments on a state level, organizations should make sure they have made contact with appropriate state agencies, which carry out responsibilities for their areas of interest, and stay in active contact with sympathetic state legislators as the block grant program unfolds. As changes in public spending begin to be implemented and felt on a local level, serious challenges will begin to be mounted by organizations representing hard-hit constituencies.

Another battlefield for citizen and public interest organizations is to use the current upheaval in the taxation system as an opportunity to push for new tax initiatives pegged to social and economic programs on a local and state level. As the following example demonstrates, tax initiatives can be successfully fought for by citizens' groups on a statewide level and even produce revenues for the programs those groups support.

In 1975, the people of Montana were faced with an impending "boom" in their coal mining industry. The Northern Plains Resource Council (NPRC) led a coalition of Montana citizens who sponsored and successfully fought for the passage of the Montana Coal Severance Tax Bill. The bill placed a percentage tax on the cost of a ton of coal before it is shipped from the state. The legislation mandates that 50 percent of the revenue raised go directly into a Constitutional Trust Fund, thus safeguarding the state from a tendency to spend too much,

too soon. The Fund also creates a nest egg to be used by future generations who will feel the inevitable "rust" side of the mining. The other 50 percent of the revenues are spent in the following areas: a local impacted areas fund, usually oriented to capital costs of schools, hospitals, sewage, etc.; an alternative energy program for research, development, demonstration and public information; and funds for education, local planning, parks, etc. The Alternative Energy Resource Organization (AERO), a citizen-based affiliate of NPRC, has applied for and received funds under the alternative energy program section of the Coal Severance Tax.



#### RESEARCHING PUBLIC FUNDING SOURCES

With authority for many social programs having shifted from the federal to the state level, it is not as easy as it used to be to find standard reference guides for researching available funds. States vary widely in the ways they are choosing to allocate block grant funds and the processes they use to make such decisions. The need to monitor and try to influence your state government's handling of their new responsibilities cannot be overemphasized.

At this time there are still some federal funding programs appropriate for community-based organizations, though how long they will continue to be administered at the federal level is open to question. To find the federal funding programs that do still exist, the old standby references are still the ones to consult. The Catalog of Federal Domestic Assistance Programs, published annually in June, with a supplement in November, describes all the funding programs included in the President's proposed budget for the next fiscal year. The Federal Register and Commerce Business Daily, both published daily, should be monitored regularly for announcements of RFPs (Requests for Proposals) for grants and contracts, respectively. Many libraries carry these publications, and you may also subscribe to them directly.

Some state legislatures have publications that are comparable to the Federal Register, and these may include descriptions of state funding for social programs and possible also RFPs. State registers may be published weekly, semiweekly, biweekly, monthly, bimonthly or quarterly, and they vary greatly in what kinds of information they include and how widely they are distributed. Below is a list of the states which publish their own registers and the places to contact in order to subscribe or get further information.

It is always important that community organizations develop contacts in the state legislative and administrative departments in order to stay abreast of what funding is available, but of course this is especially imperative in the states which do not publish registers. The most efficient way to do this is through networks or coalitions, so that a representative of a large group of organizations can keep all the members informed.

In all states, the best way to ensure that some state funding will be available for community groups and the kinds of programs they believe in is to influence the budget-making process itself. The Center for Community Change has produced a publication, (Influencing State and Local Budgets) on how to go about doing this. Contact your CCC Technical Assistance Specialist if you would like a copy or further assistance in planning to impact the budget-making process.

# STATE REGISTERS

(Current as of August 1981\*)

<u>State &amp; Publication</u>	<u>Where to Contact</u>
<u>ARIZONA</u> Arizona Administrative Digest Monthly, \$10/year	Miriam J. McClennen Director of Publications Secretary of State State Capitol, West Wing Phoenix, Arizona 85007 (602) 255-4086
<u>ARKANSAS</u> Arkansas Register Monthly, \$40/year or \$3.50/ copy	Secretary of State State Capitol Little Rock, Arkansas 72201 (501) 371-1010
<u>CALIFORNIA</u> California Administrative Code Supplement Weekly, \$950/full set of 25 Titles, or purchase separately by Title.	Office of Procurement Publications Section P.O. Box 1015 North Highlands, California 95660
<u>COLORADO</u> Colorado Register Monthly, \$296; without Social Services rules material, \$247; also available for single departments or agencies at varying prices.	Public Record Corporation 1666 Lafayette Denver, Colorado 80218 (303) 832-8262
<u>CONNECTICUT</u> Connecticut Law Journal Weekly, \$25/year	Ronald P. Guerrette, Supervisor Commission on Official Legal Publications 78 Meadow Street East Hartford, Conn. 06108 (203) 566-8200
<u>DELAWARE</u> Delaware Documentation Quarterly, free	Edward F. Heite, Chief Bureau of Archives and Records Department of State Dover, Delaware 19901 (302) 736-5314

\*This information was taken from "Administrative Codes and Registers:  
1981 State/Federal Survey" by the National Association of Secretaries  
of State, Administrative Codes and Registers Committee.

## State & Publication

## Where to Contact

DISTRICT OF COLUMBIA  
District of Columbia Register  
Weekly, \$50/year

District of Columbia  
Office of Documents  
Room 523  
District Building  
Washington, D. C. 20004  
(202) 727-5090

FLORIDA  
Florida Administrative Weekly  
Weekly, \$25/year

Liz Cloud, Bureau Chief  
Bureau of Administrative  
Code  
Department of State  
Director of Elections  
Room 1802, The Capitol  
Tallahassee, Florida 32301  
(904) 488-8427

ILLINOIS  
Illinois Register  
Weekly, \$52/year

T. C. Christian, Editor  
Secretary of State,  
Rules Division  
490 Centennial Building  
Springfield, Illinois 62765  
(217) 782-9786

INDIANA  
Indiana Register  
Monthly, \$100/year

Legislative Services Agency  
302 State House  
Indianapolis, Indiana 46204

IOWA  
Iowa Administrative Bulletin  
Biweekly, \$87.55/year

Iowa State Printing Division  
State House  
Des Moines, Iowa 50319  
(515) 281-3355

KENTUCKY  
Administrative Register of Kentucky  
Monthly, \$24/12 issues;  
\$70/12 Registers and yearly volume

Legislative Research  
Commission  
The Capitol Building  
Frankfort, Kentucky 40601  
(502) 564-8100

LOUISIANA  
Louisiana Register  
Monthly, \$45/year

Mai Abington, Director  
Department of the State  
Register  
P.O. Box 44095  
Baton Rouge, Louisiana 70804  
(504) 342-5016

State & Publication

MARYLAND  
Maryland Register  
Biweekly, \$50/year

MASSACHUSETTS  
Massachusetts Register  
Weekly, \$85/year

MINNESOTA  
Minnesota State Register  
Weekly, \$120/year or \$2.25/issue

MISSOURI  
Missouri Register  
Monthly, \$56/year

MONTANA  
Montana Administrative Register  
Twice Monthly, \$93/year

NEW JERSEY  
New Jersey Register  
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Weekly, \$80/year - 1st class mail,  
\$40/year - 2nd class mail

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Ohio Administrative Code  
Ohio Monthly Record - supplement  
Annually, \$425/year

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Oklahoma Gazette  
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OREGON  
Oregon Administrative Rules Bulletin  
Twice monthly, free

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73105  
(405) 521-2502

Secretary of State  
Administrative Rules Section  
143 State Capitol  
Salem, Oregon 97310  
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State & Publication

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Pennsylvania Bulletin  
Weekly, \$45/year or \$1.25/issue

RHODE ISLAND  
Compilation of Rules of State Agencies  
Bi-annual with quarterly supplements,  
\$19/year

SOUTH CAROLINA  
South Carolina State Register  
Published on 4th Friday of month plus  
other times as necessary; average  
24 issues/year, \$50/year

SOUTH DAKOTA  
South Dakota Register  
Weekly, \$20/year for Volume 8

TENNESSEE  
Tennessee Administrative Register  
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TEXAS  
Texas Register  
Twice weekly (100/year), \$60/year

UTAH  
State of Utah Bulletin  
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Legislative Reference Bureau  
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Rhode Island State Archives  
Room 43  
State House  
Providence, Rhode Island  
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Legislative Council  
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South Dakota Code Commission  
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Capitol Building  
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Capitol Building, Room B-2  
Salt Lake City, Utah 84114  
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State & Publication

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Register of Regulations of the  
Agencies of the Commonwealth  
Annual, \$6/year

WASHINGTON  
Washington State Register  
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WEST VIRGINIA  
Rules and Regulations  
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Wisconsin Administrative Register  
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Madison, Wisconsin 53702  
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## B. FOUNDATIONS

### FOUNDATIONS: A STRATEGY FOR SUCCESSFUL FUNDRAISING\*

There are hundreds of foundations across the country. Therefore, it would be impossible to examine all of them in much detail. What will be done is to outline a plan of action: where to start; what to look for; how to get more information; how to initiate contact; and how best to present your proposal. Since most of us do not have the time to do an extensive search or to go through each step of the preparation and proposal writing, the goal here will be to find convenient shortcuts.

#### A. WHERE TO START

The first step is to identify those foundations that are most likely to fund your project. The Foundation Center publishes the most extensive collection of books on the foundations. It has 40 regional collections in public libraries across the country as well as three national centers. If you are relatively near any of these it would be well worth your while to make the trip. If they are inaccessible, call the major libraries in your area and ask whether they have any of these publications.

Foundation directories, indices or profiles are formidable documents at first glance. You might want to read one of the "how-to" books, such as Carol Kurzig's Foundation Fundamentals: A Guide for Grantseekers (see Bibliography). This book will guide you through such key sources as the Foundation Directory and the Foundation Grant Index and tell you how to use IRS 990-A Forms (these forms detail the assets and expenditures of all the foundations). If you don't have the time or can't get a hold of one of the "how-to" books, you will need to develop a preliminary screening process. A screening process will help you to quickly select those foundations dealing with your field of work, with your community, or who are interested in projects like yours. The following are some suggestions for such a screening process:

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\*This is adapted from a chapter which appeared in How to Raise Money for Kids (Public and Private) by Anne Burr Dodge and Dana Friedman Tracy, ed. Washington, D.C.: Coalition for Children and Youth, 1978.

About the Funding Source: There are basically five types of foundations: local, family, business, special interest and national. There are many that overlap, but such distinctions will allow you to decide quickly which foundations will not be interested, and give you clues as to which ones are most likely to be interested.

Briefly, local foundations, like the Milwaukee Foundation in Wisconsin, give grants to projects within their state, county or city. There are local foundations such as the Milwaukee Foundation in most states and these are the first ones to consider as potential funding sources for the community or locally-based projects.

Business foundations (included here are many large businesses who give grants but do not necessarily have separately incorporated foundations) give grants mainly to communities where their corporation has plants or where many of their employees live. Such businesses can often be approached from the angle that community services (e.g., daycare or a health project) will benefit them in terms of improving worker morale or reducing absenteeism.

Family foundations are those set up by wealthy families to channel money into the favorite charities of individual family members. Such foundations are also often open to interesting or innovative projects in their city or area. Some foundations have special interests or a history of funding projects within a certain field. For example, the Carnegie Foundation has a history of funding education.

National foundations, like the Ford Foundation or the Rockefeller Brothers' Fund, offer large grants of money to projects that are national in scope. They fund a wide variety of projects across the country. It would not be worth the effort to approach these foundations unless you are sure you have a project that will have national impact or can be duplicated in other parts of the country.

About Your Project: What kind of project do you have in mind? Will it have local or national impact? It is basically research, direct service, education or "bricks and mortar" (i.e., construction or renovation)? And are you asking for a large grant, say \$50,000, or a small one, say \$5,000? What will the requested money be used for (staff, materials, equipments, etc.)? After considering the above, you should have a good idea of what kind of foundation you are looking for. For example, say you are a local community youth center looking to start a drug abuse program. You are asking for \$18,000 for staff, materials, rent and publicity expenses.

First, you are local in scope, so you would start by identifying the local, family or business foundations in your area. Then you would look through to see which of these have funded youth programs or drug programs or are interested in your community. Finally, you would look to see which of these give grants of the size that you want and for the purposes you want.

#### B. GETTING MORE INFORMATION

Once you have isolated several possible foundations, it is time to analyze these more closely. Each foundation has its own general philosophy and set of priorities. The latter can change or fluctuate in their order of importance. There are several ways of getting this information. The first is to write to the foundations directly asking for their last annual report. Annual reports will list, often in some detail, projects they have funded in the last year. Usually, they will include a statement of the foundation's history and philosophy.

The second is to talk to someone who has dealt recently with one of the foundations. It would, of course, be even better to know, or know someone who knows, a trustee or foundation staff person to talk to directly. Ask them what kind of special interests the foundation has and who would be the best person to contact. If you don't know anyone personally, call the project nearest you that has been funded by that foundation and see if someone there can provide you with the same information.

#### C. INITIAL CONTACT

If at all possible, arrange an introductory meeting between you and the foundation's trustee or officer before you submit your proposal. The goal here is to interest them in you and your work as well as for you to get more information on them. The Foundation Center published an article comparing successful and unsuccessful proposals. Of all the proposals that were basically good, the key factor for approval or disapproval was personal contact. As with anything else, the better they know you, the more interested or sympathetic they are going to be.

Write a brief letter of introduction, emphasizing some of the most interesting, successful, or innovative aspects of your work. Request an appointment -- an introductory meeting to share with them some of your

work and to learn more of the foundation. If you have the name of someone, it is always best to address it to an individual. Follow up the letter with a phone call. Remember, learning about new and interesting projects is the foundation's business, so even if they tell you that their budget is already set for the next six months, it shouldn't be too hard to persuade them to meet with you anyway.

Give some thought to who would be the best person to represent your organization. Because personal contact is such a critical factor in successful grantsmanship, you need to be sure that the contact person will make a good impression. Clearly, your representative should be someone who speaks well, knows the organization well, is amiable, but commands respect at the same time.

Prepare yourself for this meeting. Bring along materials that highlight significant aspects of your program, that demonstrate past successes, an innovative approach, or that will emphasize your credibility in your field or in your community. Be prepared to answer questions not only about your organization, but possibly about how you cooperate with other organizations doing similar or related work in your community. Some questions might focus on your financial stability--here you want to be careful. You want to show that you are financially stable and resourceful, but that you definitely need the money. Foundation people want to know that the money they give to you is needed but is not going to be wasted, nor be used for general operating expenses if received for a specific project.

Write down questions to ask them. Focus these on philosophical issues as well as practical ones. For example, when and how often does their Board of Directors meet, when are proposals due, and what is their reviewing procedure? Be sure to get a copy of their proposal guidelines.

These initial meetings, if done before you present your actual project, may give you some helpful clues for reworking your proposal.

This reworking might only entail a few word changes -- substituting words they have used or adding a couple of phrases you have heard. The key here is to translate your proposal into terms that most clearly reflect the interests and terminology of the individual foundation.

Reworking might also mean a major change in your strategy. You might decide after meeting with several foundations that you could get more by dividing your project into several smaller proposals. The basic project would remain the same, perhaps, but its components would be funded by several different sources rather than through one larger foundation.

#### D. PRESENTING YOUR PROPOSAL

The importance of building contacts cannot be over-emphasized. When you have decided on a foundation, then focus your attention on it. Find out who are the key people on their Board, who would be your potential allies. Is there a way you could meet with them? Find out what kinds of assistance you can get from the foundation's staff. For example, many foundations have staff who are willing to help you rework your budget to meet the foundation's guidelines. Use them -- if for nothing else than to build a more solid relationship.

After you have submitted your proposal, you will have to wait while the foundation does an initial review. If you have not been eliminated on the first round, you may be invited to a meeting. The purpose of this meeting is for you to present and defend your proposed project.

Be prepared to defend every aspect of the proposal, from the definition of the need to each item of the budget. Again, be aware of other organizations in your field or in your community. Have a pre-arranged plan for consultation and cooperation with other groups wherever possible. If there are other organizations doing work similar to yours, be sure that you can distinguish yourself (e.g., showing that you have an innovative approach that you will be reaching an untouched popu-



lation, or are filling gaps that exist). Be careful not to talk against another organization even if you think they do a poor job. Tell them of other fundraising efforts, putting extra emphasis on any that will lead to continued funding for the project. Most important, have a strategy for continuing the project beyond the foundation's funding limit.

Of all the points that could be raised about fundraising from foundations, the two most important ones are (a) to research the foundation before you present your proposal; and, (b) to build contacts. Consequently, even if they decide not to fund your project, write them a letter thanking them for their consideration. It will go into their files, and just might be remembered if you go back to them with another proposal. Then call the people you had the most contact with and ask them why you were turned down. See if they have any ideas on where you might go next, or whether there is a chance the foundation might be interested in funding other aspects of your work.

Successful grantsmanship is not mystical art. It is a skill built on experience.

#### FOUNDATIONS\*

While Ronald Reagan announces his intention to seek further cuts in the federal budget, and asks the private sector to pick up the costs in the resulting cutbacks in human services, the foundation community greets the news with a sense of alarm. Due to the high visibility of some foundations, some nonprofits will expect that they can turn to private foundations to help them weather the budget cuts. The statistics belie this assumption. Total foundation giving in 1979 comprised \$2.24 billion, while the budget cuts to date total over \$35 billion.

However, those foundations committed to citizen self-help initiatives will attempt to respond to those long-standing community organizations that are representative of their constituency and have a proven track record of effectiveness. This does not bode well for newly created organizations, except in areas where they are coalitions or new initiatives stimulated by existing efforts.

Some of the "buzz words" we can expect to appear more frequently in foundation vocabulary are "leveraging," "self-sufficiency," and "economic development." An example of the meaning of leveraging can be found in the recently established Local Initiatives Support Corporation (LIISC) in New York City. The Ford Foundation started this endeavor to help strengthen and expand the capacity of independent, community-based development organizations to improve physical and economic conditions in their communities. One of its major roles is to forge a productive and continuing alliance between community organizations and the local and national private sector. The LIISC program also represents a growing movement among certain foundations to relate their long-standing interests in civil

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rights and social justice to economic issues. Examples of areas of interest include: job retention and creation, economic development (small businesses, cooperatives, etc.), access and capital for reinvestment in declining communities, quality of workplace as it relates to race, sex and age, etc.

Foundations' interest in organizational self-sufficiency can be seen by reviewing recent grant lists. Sample grants include funds for such diverse projects as: development staff; long-term financial planning; pilot efforts to develop new revenue sources; studies to incorporate traditional for-profit ventures and businesses into nonprofits (within the constraints of the tax laws); and, technical assistance to improve the management and efficiency of an organization. This trend represents strong, new interest in the organizational factors that contribute to the viability and effectiveness of the nonprofit sector.

The aforementioned trends are increasingly evident in the national foundation circles and will begin to be more apparent in foundation giving on a local level, where, in fact, the majority of foundations operate. Many local family foundations, community foundations, trusts, and corporate foundations have had more general funding guidelines and areas of interest than their national counterparts. Pressures are mounting on these local sources to target their grant making more specifically, which will present harder choices for foundation staff and board members.

Due to proximity and other factors, local foundations have been an initial source of support for new, innovative or experimental efforts on a grassroots or neighborhood level. As a result, the local foundation has introduced new grantees to the foundation world at large. An initial seed grant from a local

foundation has enabled many organizations to later receive funds from national foundations and other funding sources. In addition, many issues and constituencies, such as domestic violence against women, discrimination against lesbians and gay men, the rights of the physically challenged and neighborhood self-help revitalization, have first been introduced to the public by local foundations.

These important roles of the local foundation will now be seriously strained by the increasing pressure from older institutions for larger grants, and the potential reduction in dollars available for small nonprofits. But the creative grantseeker can still maintain a competitive edge by staying abreast of developments and changes in the foundation field. A recent valuable addition to standard reference materials, such as the Foundation Directory, published by the Foundation Center, is the Grantseeker's Guide, A Director for Social and Economic Justice Projects, published by the National Network of Grantmakers. The guide highlights over one hundred local and national foundations and corporate grants-making programs.

For the novice grantseeker, the Foundations Center's library collections that can be found in every state are the best overall introduction to foundations.

By using the reference materials available there, one can develop a manageable list of foundation "prospects" that can be approached for funding.

Local newspapers can also serve as a primary source of information. Due to the critical local needs that the federal budget cuts are exacerbating, some newspapers have been increasing their coverage of the local foundation scene.

C. BUSINESS AND INDUSTRY

CORPORATIONS\*

In 1979, corporate giving comprised 5-1/3 percent of total philanthropic giving, equaling \$2.3 billion. There are two characteristics of corporate giving. First, more than any other source of philanthropy, corporate giving is expressed many ways besides dollars (i.e., loaned personnel, printing and gifts in-kind ranging from typewriters to toilet paper, meeting, conference or exhibition space, sponsorship of programs or events, etc.) When approaching a corporation or business, the fund-raiser should bring a shopping list of needs beyond dollars.

The second characteristic is that a corporate giving program is often part of a corporation's public affairs, community affairs or publicity program. With that in mind, an organization's approach needs to include an understanding of how the organization's programs can meet some of the goals of the company/business being approached.

Businesses' charitable giving starts at the neighborhood corner store and continues to the local branch bank or phone company to downtown department stores and finally to national corporate headquarters. Larger companies and corporations might place their charitable contributions staff in any one of the following departments: publicity, marketing, community affairs, or corporate contributions. (Corporate foundations will be addressed separately later in this article.) A phone call to a company can help locate which individual should receive grant or donation requests. Usually, final decisions rest with a contributions committee comprised of senior company officials.

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One way of garnering information about the charitable priorities of a given company is from an employee who may be an active member in your organization or live in the community where you are active. Keep in mind that companies are genuinely concerned about the quality of life in the communities where their employees live and, potentially, a corporation can provide assistance from numerous individual employees and departments.

Information on corporate philanthropy has fairly recently reached such a stage of sophistication that guidelines and application procedures are sometimes printed and available upon request. In addition, some common reference materials have begun to appear on library shelves. This is particularly significant since corporate giving exceeded foundation giving in 1979 for the first time in the United States, according to the American Association of Fundraising Counsel, Inc.

Scant information available in some cases translates into broad charitable interest areas, ranging from health/welfare to civic activities and education, from culture and art to the United Ways. Published guidelines often reveal very targeted and specific areas of interest (such as the Playboy Foundation and McDonalds Corporation in Chicago.)

Initial research should include checking with your organization's board, staff and members on places of business they have contact with or are familiar with. Ask other community organizations which businesses they have found to be responsive. Also, ask the local Chamber of Commerce for a list of the largest employers in your area.

Remember, the smaller the business concern, the more likely they are to be flexible in guidelines, interest areas, application procedures, and to take speedy action on your request. The

larger corporations usually prepare their charitable budgets in advance of their fiscal year and present a list of major recipients to their contributions committee at the same time. This guideline does not apply to smaller ongoing contributions made throughout the year.

#### BUSINESS AND INDUSTRY RESOURCES\*

Business represents a potential source of dollars, gifts and volunteers for neighborhood groups.

Always involve your local merchants in any fund-raising efforts. You might honor an established business leader at a fund-raising dinner benefitting your organization, and his friends will join your group in paying tribute. At this time you might seek journal ads and patrons for the dinner event.

Generally, supermarkets and large chain stores must be approached for help through their community or public relations department of their main offices. A short, concise letter on your group's stationery, describing your goals and needs, is the best approach. Always send a copy to the local manager.

Often local merchants are bombarded with appeals and, in self-defense, they give to no one. Try to get them to give you something other than dollars.

Ask merchants to support your organization by advertising in your newsletter or by displaying posters or signs about your group in their windows. The local bank or OTB office may agree to do printing for you free of charge. Local dry cleaners may donate unclaimed clothing which your group can sell to raise money. Laundries may provide you with shirt cardboards to be used for posters or other displays.

Remember: Don't be afraid to ask for donations. If you don't ask, you won't get.

Set up a fund-raising committee and ask several merchants to work on the committee. Publicize merchant involvement in the local newspapers (it's like free advertising for the merchant).

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\*Reprinted with permission from Funding Neighborhood Programs, 1980 edition, by Citizens Committee for New York City, Inc.

It is always important to give credit to local donors and encourage your members to patronize your merchant supporters. Train your members to mention their affiliation to your group when shopping and your group will develop a powerful image with local businesses, thus increasing your chances of receiving help.

Many corporations make contributions to organizations in which their employees are involved. Canvas your members for such opportunities. Some corporations make matching contributions to organizations supported by their employees.

#### CORPORATE AID\*

##### Basic Guidelines for Approaching Corporations

Identify corporations which may be helpful to you by making a list of:

- branches of banks in your community. (If the branch can't help you, ask to be referred to the proper person in the main office.)
  - other business corporations in your immediate area (factories, fast food outlets, five and dime stores, shoe branches, etc.).
  - book publishers whose headquarters are in your city.
  - don't forget the public utilities.
  - major corporations with large installations or headquarters in your city (see Fortune 500 directories). Corporations which have large numbers of employees in a given city tend to consider community groups and projects in that city as particularly appropriate for assistance.
1. Determine whether you want to request a cash grant, a gift of equipment or supplies, technical expertise, or employee volunteers.
  2. Telephone the corporate office (or visit the local store or factory) and find out who is in charge of the contributions or urban affairs program in your area. Don't assume the best approach is to the Chairman of the Board or the President instead of the department head concerned. Urban affairs and contributions staff are there to help you and to advise top management on community affairs.
  3. Write a brief letter on your organization stationery outlining the project and the specific assistance you are seeking and ask if the corporation can help your project in some way. Corporation policies require that only a bonafide non-profit group receive contributions. Write why you feel the corporation or business can be of help to your project. Be specific in your request. Include a description of your organization and its programs, an annual report or a special report, if you have one.

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\*Adapted with permission from "Options in Learning", Nov. 1977, by New York Urban Coalition.

4. Follow up the letter with a phone call and arrange an appointment to discuss the project in great detail. Be prepared, if the corporation is interested, with a longer, fuller proposal.
5. Start out with a small request. Corporate cash grants for community projects are modest in size compared with federally or foundation funded projects, so don't expect to finance an elaborate or long-term project from one corporation's gift. If you can demonstrate support from other sources, that is a point in your favor.
6. Don't design your proposal to fit a specific corporation, but show that you are aware of how a specific company can best help you. Describe your project and its needs as specifically as possible. If one corporation can't help you, the urban affairs staff person can refer you to other companies which may be better equipped to give you the help you need. As with any proposal, whether it is directed to the federal government, a foundation or a corporation, it is the quality of the idea, the soundness of the plan, and the demonstrated need which make it fundable. Urban affairs staff in major city corporations are experienced and familiar with inner city problems and can be very helpful in referring proposals to potential funding sources.
7. If you have arranged a meeting with a potential corporate supporter, be sure you have some information about the company, its products or services, its leadership and its activities in your area. Have the correct spelling and titles of the corporate persons you are seeing.
8. Go to the meeting prepared to listen as well as to talk. It is important to understand the corporation's point of view or approach.
9. Get to the point promptly in any meeting. Shorter meetings are usually preferred in corporate circles.
10. If your project does get a corporate grant or assistance, do not neglect reporting back to the corporation on your progress and results. A letter of appreciation and an indication of how their grant has helped your community is not only minimum courtesy but will also help your organization establish a track record with the corporate funding community.

11. Whatever your project or your proposal, present it positively. Try to demonstrate the positive benefits which would result.

The New York Urban Coalition undertook an interview study among a sampling of 85 New York City corporations. The study revealed that the following procedures are commonly practiced by companies in addressing community groups' requests for support:

- require an annual report (a certified annual audit) as part of the supporting documentation (if it is a charitable organization).
- ask for program statistics, previous accomplishments.
- ask for specific details and purposes of the project.
- make it a practice to visit the program before deciding on a grant.
- want to know what other corporations have given financial support.
- look at the membership of the board of directors (if it is a charitable organization).
- ask about staff credentials.

Other items mentioned a few times each:

IRS tax-exemption proof; information on whether any company employees are involved as volunteers; evidence of community support; and fundraising costs.

#### How Can Corporations Help?

Considerable specialized knowledge and experience exist in the business community. To successfully tap these unused resources, think of the operational areas of a company and how they might be utilized for a community project.

For example:

Management

- developing and setting objectives
- long-range and short-range planning
- setting priorities; allocating resources
- building teams (planning and work)

Financial

- budgeting processes
- cost effectiveness
- proposal budgets
- fund raising

Public Relations

- graphics and art
- printing and production
- advertising
- media techniques (TV, Radio, Press)
- newsletters, posters, reports, charts
- communication techniques

Product

- manufacturing processes
- distribution of products
- marketing techniques

Research

- statistics
- sources of information

- development of new products, inventions
- customer and employee attitudes

Equipment

- office machines
- books and manuals
- furniture
- transportation vehicles
- tools
- supplies
- uniforms
- safety equipment
- films

Facilities

- tours, demonstrations
- auditoriums
- meeting rooms



## APPROACHING BUSINESS AND INDUSTRY FOR FUNDING

### How HACO Did It\*

In 1975 the Human Action Community Organization (HACO) in Harvey, Illinois operated on a budget of approximately \$42,000 annually. Only \$3,075 of that amount came from the business and industry sector of the community that year. Most of their funding came from foundations and churches, but after five years of support, these institutions were cutting back.

To try to compensate for this reduction in funding from their longtime supporters, in the fall of 1975 HACO initiated a campaign to secure more support from business and industry. With a grant from one of their longtime funders that was made to move HACO closer to self-sufficiency, they hired a business consultant to help them work out a proper annual budget, develop a pamphlet describing HACO in terms readily understood by the business community, and train HACO board members to make finance calls effectively. By following through on this strategy, conducting finance calls and luncheons, the organization was able to raise over \$14,000 in 1976 and \$24,000 in 1977 from local business and industry.

The pamphlet, "Understanding HACO," was designed to incorporate the kinds of elements that corporate boards are used to considering at their meetings: formats such as charts, graphs and budgets, and concepts such as income vs. expenses, returns that can be anticipated from corporate investment, etc. It sought to explain three major points: (1) HACO's role in the community and the mutual self-interest in cooperating with the business community; (2) the need for occasional confrontation in the course of advocacy activity; and (3) the organization's ability to manage money.

\*The Center for Community Change thanks Jim Janas, former HACO staff person who is now with the National Center for Urban Ethnic Affairs, for the information and materials which follow. Understanding HACO is reprinted with permission.

After receiving training, HACO's board members made the finance calls, using the pamphlet as a handout. As they were trained, they talked in terms of investment, not charity, explaining to business people that the public relations value they would get from funding HACO, as well as the improvements in the community that would result from HACO's ongoing work, would make it worth their while to invest in the organization.

Some of the key points that were emphasized in the board members' training are as follows:

1. Business people like short meetings. When calling to set up a meeting, ask for "a half-hour of your time," and then keep the meeting itself short.
2. In the meeting, be direct and to the point: ask for money, and don't beat around the bush. Request a specific amount of money.
3. Know when they develop their budgets, and time your finance calls accordingly, to enable you to talk bigger money. (Once the budget is set for the next year, you have to accept its constraints.)
4. The line item for "charity" in corporate budgets is usually very small, and often they have a limit as to how much any one organization will get out of that line item, say \$50 or \$100. Therefore you want to look at their line items for "public relations" and "advertising" as well, and talk in terms of investment in good public relations rather than charity.
5. Approach the businesses you are most likely to be successful with first. Then you can cite their commitments to your organization when you approach the less likely prospects.
6. Even if the company is not willing to give your organization money, they might be interested in providing in-kind donations, such as supplies of the products they make or sell, or time and skills their employees can contribute to your organization.



**Human Action Community Organization**

108 East 154th Street  
Harvey, Illinois 60426  
(312) 339-7902

UNDERSTANDING HACO

March 1, 1977

UNDERSTANDING HACO  
THROUGH IDENTIFYING WITH ITS PURPOSE

The purpose of HACO is to assist the community in organizing itself to constructively resolve community problems, to manage rather than suppress conflict, and to encourage diverse peoples to live and grow harmoniously together.

THIS CONCEPT REQUIRES YOUR PARTICIPATION  
IN THE DECISION-MAKING PROCESS--AND YOUR  
SUPPORT OF THOSE DECISIONS WITH YOUR  
INFLUENCE AND WITH YOUR RESOURCES.

UNDERSTANDING HACO  
THROUGH UNDERSTANDING ITS GOALS

"The primary goals of the corporation are:

1. To provide an organization in which all community interest groups and organizations can meet, express their respective views, determine community goals, and take action to effectuate those goals;
2. To promote the greater good for the community;
3. To provide an effective community voice with all government units and organizations;
4. To uphold, maintain, and enhance real estate values in residential, institutional, and business areas;
5. To work for top-quality schools and educational programs and opportunities for the children of the community; and
6. To take such other action as may be necessary and appropriate in order to make the HACO area a better place to live and work."

UNDERSTANDING HACO  
THROUGH A VIEW OF ITS PAST

The Human Action Community Organization (HACO) is a broad-based community organization operating in the south suburban area of Cook County, Illinois, and servicing the communities of Harvey, Markham, Phoenix, Dixmoor, South Holland, Riverdale, Dolton, Hazel Crest, and East Hazel Crest.

The organization had its beginning seven years ago when a group of local clergymen recognized various manifestations of deterioration and decline in the community. Real estate agents began panic-peddling and block-busting. The crime rate continued to rise steadily. Local businesses began to experience financial hardships. FHA abandoned homes began to appear in increasing numbers.

In short, the Harvey area was just beginning to experience the myriad urban ills which, until that time, had not been closely associated with suburban living. These clergymen recognized the need for a broad-based organization which could effectively focus the community's attention and energies on the emerging problems. Thus, HACO was formed.

The initial energies of the young organization were directed at two specific problems: 1) the ever-growing practice of real estate solicitation and panic-peddling, and 2) the construction of poorly-built, FHA subsidized 235 homes.

HACO, in conjunction with local, more ethical realtors and the City Administration, was able to pass some of the toughest and most restrictive anti-solicitation and panic-peddling ordinances in the entire state of Illinois.

FHA 235 ultimately provided HACO with an even bigger victory, but only after several years of work. The track record reads: The federal government spent over one-third million dollars to

repair FHA 235 homes in Harvey; this figure equals the total expenditure of federal funds for 235 repairs in the remainder of the nation. HACO initiated repairs to 235 homes in Markham and Hazel Crest and blocked the further construction of 235 homes in Dixmoor.

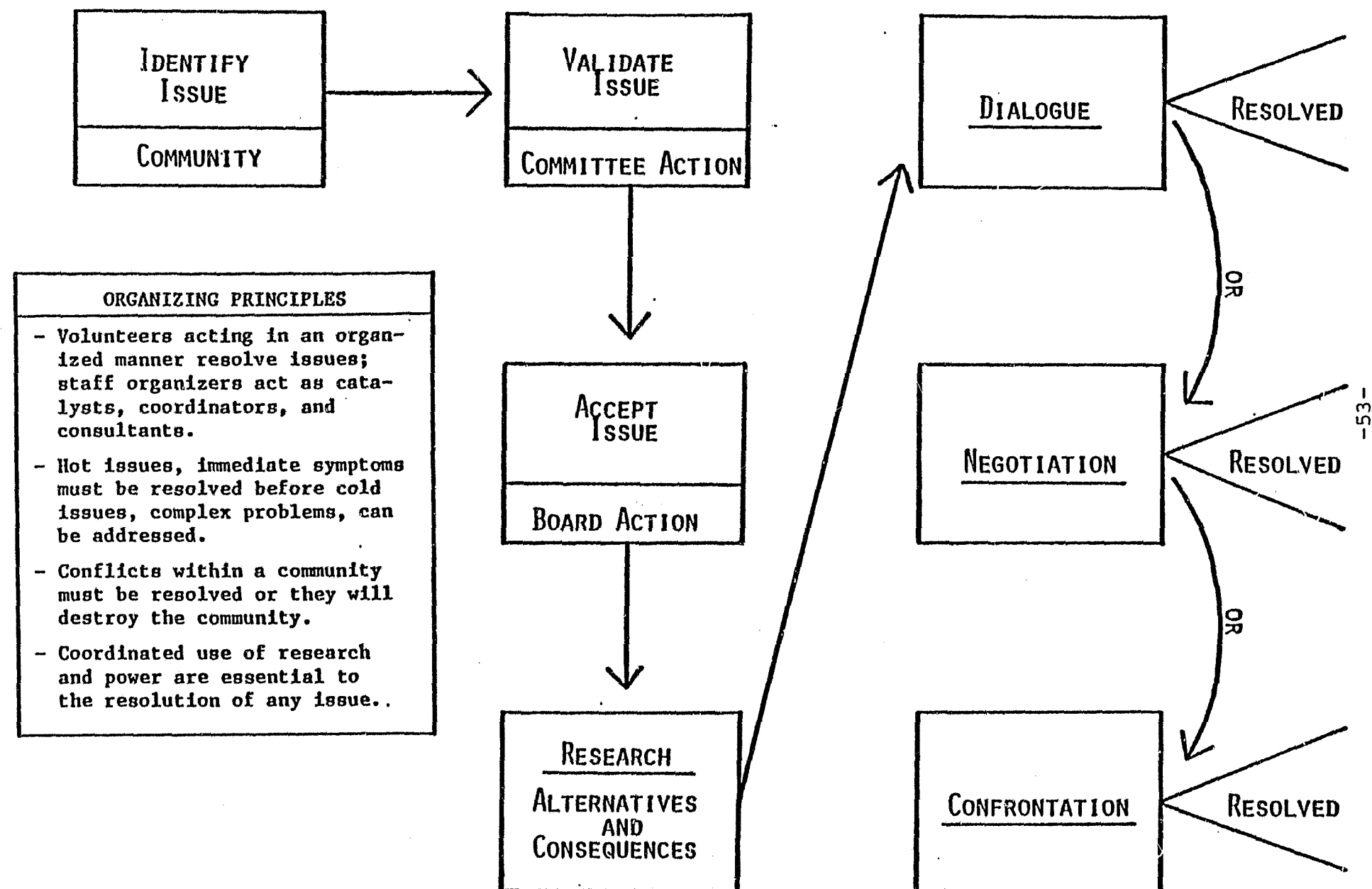
Throughout the following years HACO continued to implement its philosophy of "helping people help themselves" on numerous issues and problems, and the list of accomplishments is impressive:

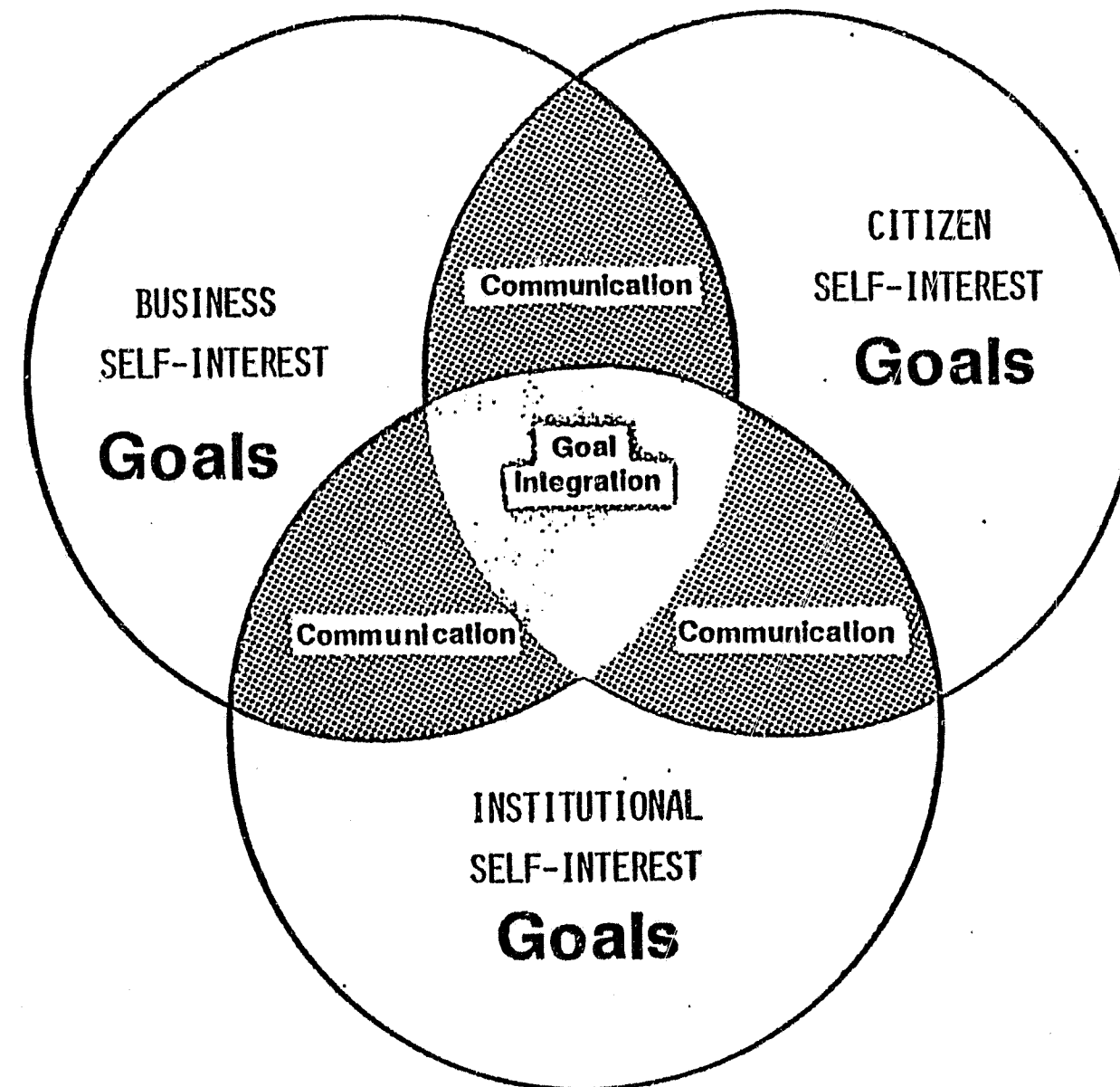
1. In 1972-73, organized a group of seventy-five parents who became instrumental in the quelling of racial problems in School District 205.
2. Blocked the development of an 800-unit mobile-home park in Markham.
3. Organized one of the nation's oldest Citizens Crime Stop Patrols which now consists of sixty-five active members who work with the Police Department in deterring criminal activity.
4. Supervised the sale and rehabilitation of 110 FHA abandoned homes in 1974.
5. Organized residents against financial red-lining or disinvestment; presented testimony to and worked closely with the Illinois Legislative Investigating Committee, the Illinois General Assembly, and the United States Senate.
6. Won a three year campaign over the Internal Revenue Service when that agency's efforts to relocate outside of the Harvey-Markham area were successfully blocked.
7. Established a Witness Assistance Program in conjunction with the leading law enforcement and court officials of the Sixth Municipal District of Cook County.

HACO is currently involved in various anti-crime, neighborhood preservation and economical revitalization endeavors.

HACO activities and endeavors over the last seven years are not limited to the aforementioned accomplishments. We have, of course, been active in numerous other projects and issues. We have only detailed our accomplishments and victories here; we have not discussed defeats. And, indeed, there have been defeats; but we sincerely believe that HACO has made a difference and that, with a broadened base of support and involvement, we will make a much greater difference in the future.

UNDERSTANDING HACO  
THROUGH KNOWING HOW IT WORKS

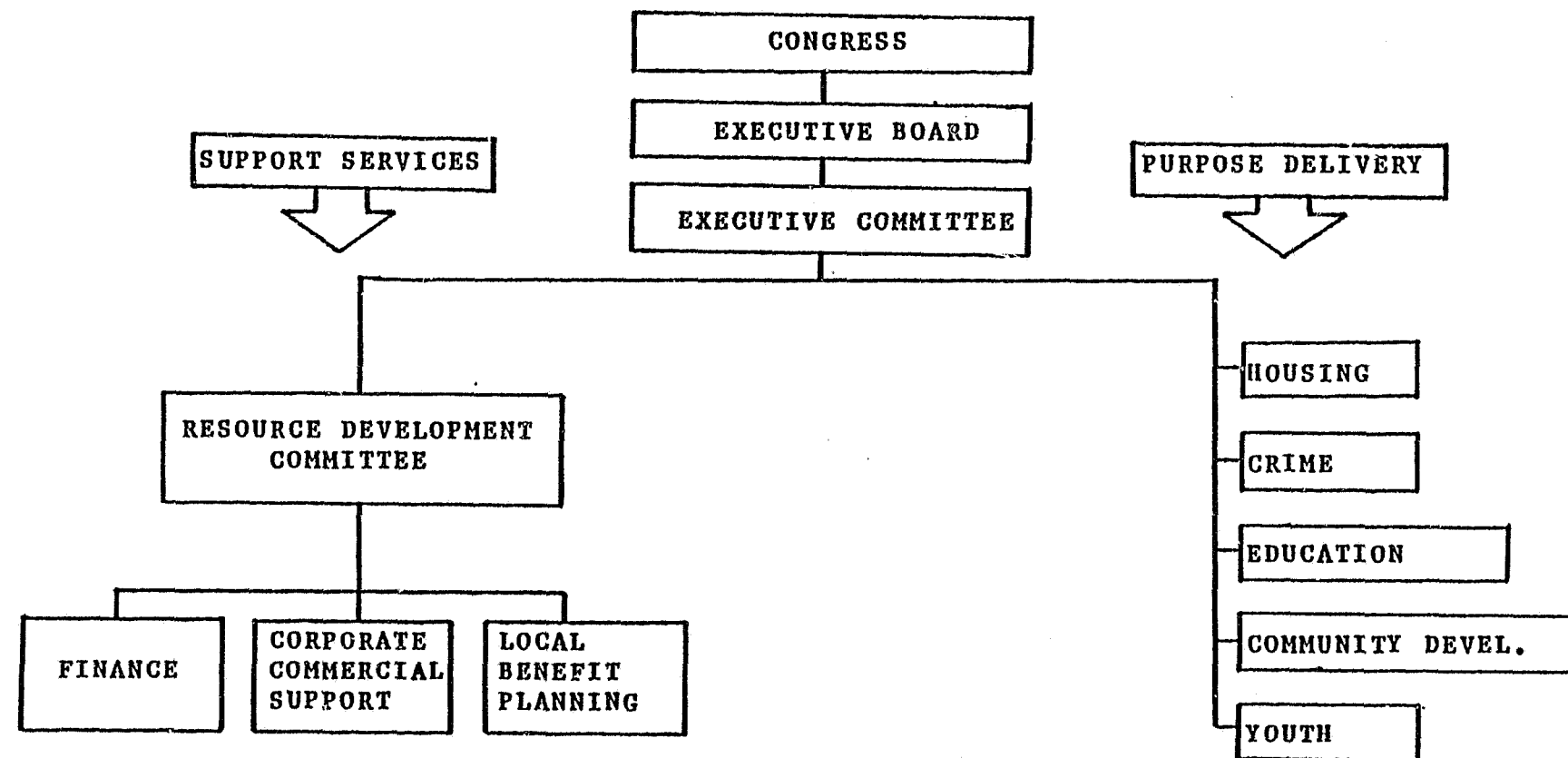


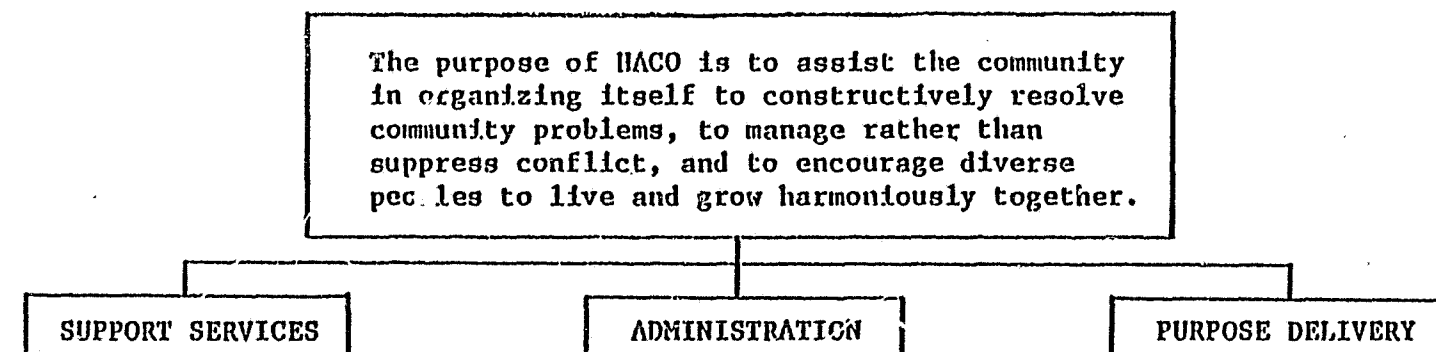


HACO EFFECTIVE ACTION--AT THE POINT OF

GOAL INTEGRATION

UNDERSTANDING HACO  
THROUGH ITS ORGANIZATIONAL STRUCTURE





GOALS

- To broaden and intensify participation and involvement in HACO decision making and management
- To expand and diversify HACO resource base
- To enhance the public image of HACO
- To implement and monitor the Planning, Programing, Budgeting Systems

GOALS

- To implement MBO process throughout all levels of the organization
- To install improved systems to improve efficiency and control

GOALS

- To provide an effective community voice with all governmental units and organizations
- To uphold, maintain, and advance real estate values in residential, institutional, and business areas
- To work for top-quality schools and educational programs and opportunities for the children of the community through citizen involvement
- To provide a means whereby community people can develop an effective involvement in the campaign against crime in the community
- To take such other action as may be necessary and appropriate in order to make the HACO area a better place to live and work



# UNDERSTANDING THE UNIQUENESS OF HACO

BY DEFINITION, A COMMUNITY ORGANIZATION IS A GRASS-ROOTS ENDEAVOR OF THOSE WHO LIVE IN THE COMMUNITY AND THOSE WHO DO BUSINESS IN THE COMMUNITY. ALL INTEREST GROUPS ARE ENCOURAGED TO PARTICIPATE.

THERE ARE MANY ORGANIZATIONS WITHIN THE HARVEY AREA. INDEED, THE INSTITUTIONAL STRUCTURE IS BROAD--BUT THERE IS ONLY ONE COMMUNITY ORGANIZATION!

## SOME EXAMPLES OF "ORGANIZATIONS WITHIN THE COMMUNITY":

South Suburban Chamber of Commerce	Foundation I (drug abuse)
South Suburban Forum	BUILD (alternative education)
Harvey YMCA	Tri-City (human relations)
Optimists	Harvey Police Association
Lions	South Suburban Homemakers
Kiwanis	South Suburban Council on Aging
Rotary Club	Family Service & Mental Health Center
Southern Christian Leadership Conference	South Suburban Youth Association
American Heart Association	League of Women Voters
Jaycees	Leadership Resources
Harvey Paramedics	American Cancer Society
Churches	Boy Scouts
United Fund	Girl Scouts

## HACO PARTICIPATING ORGANIZATIONS

146-147 Myrtle Block Club	Harvey Ministerial Association
14800 Lincoln Block Club	Harvey Preschool for Exceptional Children
150th & Loomis Block Club	Harvey Senior Citizens
156th & Myrtle Block Club	Independent Voters of Illinois
Academy United Methodist Church	Leadership Resources
Ascension Church	League of Women Voters - Harvey
Ashland-Vine Block Club	League of Women Voters - Riverdale-Dolton
Bethel Reformed Church	Living on Lincoln Block Club
Bel-Aire Civic Association	Markham Community Service
Black Council for Action	Markham East Civic Association
Boy Scouts	Markham Senior Citizens
Campbell-Western Block Club	Marshfield-Paulina Block Club (14800-14900)
Citizens Crime Stop Patrol	Marshfield-Paulina Block Club (15000-15100)
Christ Temple Baptist Church	Marshfield Block Club (16000)
Citizens Opposed to Crime	Paulina Area Community Organization
Citizens United	Phoenix Action Coalition
Committee Against Fast Foreclosure	Property Owners Caucus
Community Club (150th & Artesian)	Queen of Apostles Church
Community Improvement Campaign	Residents Against Institutional-Disinvestment
Community Service Center	Riverside Community Organization
Concerned Citizens of Dist. #147	St. Anne's Women's Club
Concerned Citizens of Honore Ave.	St. Clements Church
Concerned Citizens of Markham	St. Judes Church
Concerned Citizens of S.D. 152	St. Marys Church
Concerned Citizens of S.D. 205	St. Susanna Church
Concerned Citizens of Riverdale-Dolton	School District #151
Coronet Village Community Council	SHURE
Country-Air Civic Association	South Suburban Homemakers Council
Criminal Justice Committee	Streamside Homeowners Association
Dixie Square Senior Citizens	Thornwood Student Council
Dixie-Wood Citizens Action Group	Tri-City Human Relations Council
Dixmoor Action Coalition	Trinity Lutheran Church
Dixmoor Community Action Group	Volunteers in Service in Our Neighborhood
Dolton-Riverdale Kiwanis	Wells St. Block Club
East 155th St. Block Club	Wesley United Methodist Church
Emerson School PTA	West Harvey Confederation
Federated Church of Harvey	Wood Street Block Club
First Christian Church of Harvey	
First Lutheran Church	
First United Methodist Church	
Group to Save West Harvey	
HACO Education Committee	
HACO Federal Building Committee	
Harvey 235 Homeowners	
Harvey 518A	
Harvey Area Forum	
Harvey Historical Society	
Harvey Little League	

1977 HACO PROPOSED BUDGET

PERSONNEL

Salaries

Director	\$15,000		
Organizer	6,500*		
Organizer	6,000**		
Organizer	4,000***		
Organizer	3,750***		
Administrative Ass't.	7,000	\$42,250	
Fringes - Insurance		2,701	
Matching FICA		2,472	
TOTAL PERSONNEL			\$47,423

OCCUPANCY

Rent	\$ 1,920		
Insurance	300		
Electric	1,000		
Gas	300		
Garbage pick-up	120		
Water	80		
TOTAL OCCUPANCY			3,720

OFFICE

Telephone	\$ 3,000		
Postage	1,000		
Office Equipment	1,000		
Office Supplies	1,500		
Printing	100		
Miscellaneous Supplies	100		
TOTAL OFFICE			6,700

CONFERENCE AND MEETINGS

Out of Metropolitan Area	\$ 200	200	
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EXPENSE ACCOUNT

\$50 per organizer per month			
12¢ per mile and extra meals	\$ 1,950	1,950	

AFFILIATIONS AND SUBSCRIPTIONS

Organizations & Subscriptions	\$ 150	150	
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PROGRAM SERVICE

Issue Meetings/Congress	\$ 250		
Awards & Recognition	50		
Research	120		
TOTAL PROGRAM SERVICE			420

RESOURCE DEVELOPMENT

Public Relations	\$ 250	250
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PROFESSIONAL SERVICES

Audit	\$ 200	
Attorneys	100	

TOTAL PROFESSIONAL SERVICES		300
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CONTINGENCY/MISCELLANEOUS	\$1,000	1,000
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TOTAL BUDGET		\$62,113
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\* \$3,500 to be paid by Metropolitan Anti-Crime Coalition

\*\* To be hired April 1, 1977

\*\*\* To be hired July 1, 1977

COMMUNITIES ORGANIZED FOR PUBLIC SERVICE  
A Case Study of the C.O.P.S. Ad Book\*

Arnie Graf  
San Jose State University  
School of Social Work

For

VOLUNTEER: The National Center for Citizen Involvement  
Washington, D. C.

January 1980

\*Reprinted with permission

I

INTRODUCTION

San Antonio Communities Organized for Public Service (C.O.P.S.) is an independently funded, predominantly Mexican-American, mass-based citizen organization in San Antonio, Texas. It has been an extremely potent force in San Antonio politics over the past six years.

I had the privilege and good fortune to be employed as the staff director of C.O.P.S. from 1976-1978. It was during this time that the members of C.O.P.S. made good their initial promise to the various church foundations that had contributed to the birth of the organization that the organization would become financially self-sufficient at the end of three years. One way in which this was done was through an Ad Book Campaign that netted over \$47,000.00 in the first year.

This paper will focus on the effort of the C.O.P.S. organization to use an ad book to raise money and to teach many important organizational principles.

## II

### AD BOOK PHILOSOPHY

Most people hate to ask for money. They feel as if they are begging. No one likes to go hat in hand looking for money. There is little dignity in that, and that's what makes getting turned down for money so painful and often degrading. This is why the members of the organization must be taken through a training process which will help them develop a positive attitude toward raising money. They are taught the following philosophy.

"We are not begging, we are collecting dues."

"We are not begging, we are establishing relationships of mutual respect."

The above statements are the philosophical approaches the C.O.P.S. leaders take towards the selling of ads.

An Ad Book Campaign is like an action or a series of actions (an action being a direct meeting or confrontation with an opposing force). It has a dual purpose. The first purpose is to win. In this case winning means raising the sum of money that the organization has set as a goal for itself. The second purpose is to build the power of the organization. Begging and the building of power are antithetical. They simply cannot coexist. That is why the first order of business for the leaders and the members to understand about an Ad Book is that they are not begging. In the case of C.O.P.S., they were:

- 1) Collecting dues from everyone in the city who had benefitted from the work of the organization. Those included, for example, builders and contractors who had received the bids to build the parks and the streets that C.O.P.S. had forced the city to fund, small businessmen in the community who had benefitted from the stability that C.O.P.S. had brought to the area, and people who said that they did not have the time to become involved, but were supportive of the organization, and so on.

- 2) Developing relationships of mutual respect with savings & loan associations and banks who gladly took the people's deposit money, but were short on what they contributed back to the community, supermarket chains, department stores, restaurants, etc., all of whom profited from the people's business but often times felt no responsibility to the community beyond making a profit. The C.O.P.S. philosophy is one of moving toward some quid pro quo of mutual respect. Therefore, the asking for the purchase of an ad is seen as doing business on an equal footing.

"We shop at your store, we support your bank, we work for the betterment of this community which is enabling you to prosper; therefore, we feel that you "owe" us your support in return." The people of the organization are not begging, they are conducting business.

Such a philosophy is typified in this exchange: Businessman X to C.O.P.S. - "Are you threatening me with a boycott? This is extortion. It's blackmail."

C.O.P.S. to Businessman X - "When you were trying to decide on which supplier to buy from, did you not shop around to find the one who would provide you with what you wanted for the lowest price, in addition to other considerations? Did you not offer your bank account to the bank that would offer you loans at the lowest possible interest rates? Why is that when you do it, you consider it proper business procedure, but when we do it, you consider it extortion? All we want is a fair and honest relationship with you based on mutual respect and consideration." There is no begging involved.

In order for an Ad Book to raise \$60,000.00 and for it to build power for an organization, the philosophy behind the dialogues above must be understood in people's minds. In the case of C.O.P.S., people do not come back to the organization from a refusal of money feeling degraded; they come back with a feeling of justifiable indignation.

As the staff director, I knew that this understanding was getting through to people when one of our banking teams came back to the organization with a report that they had turned down a local savings & loan's offer to buy a \$1,000.00 ad. The team had determined that this particular savings & loan, given all the accounts our churches and our members had deposited there, should purchase a \$2,000.00 ad. Turning down \$1,000.00 was very hard for some of the members to understand. The banker was, in fact, astounded. It was important, however, to turn it down and for the membership to understand why the team turned it down.

There was no respect in the offer. The team explained to the members that C.O.P.S. is not about the business of being patronized or placated; rather, C.O.P.S. is about the business of establishing relationships of mutual respect. The team explained, "We could walk away from the \$1,000.00 offer with all of our dignity and love for ourselves and C.O.P.S. intact and still reach our goal."

### III

#### HOW TO AND WHY

The first step in an Ad Book Campaign is for the leaders to decide when to conduct the drive and how much money is needed to be raised. This is extremely important because for the Ad Book to be successful, the organization must be willing to stop all of its other activities for six weeks. The issue for six weeks is MONEY. The campaign is worth six weeks of the organization's time because without money you do not have an organization, and without your own independently raised money, you do not have power.

At first people argued for many hours about stopping all of the organization's other activities. "How can we stop our action campaigns for six weeks?" they asked. "Everything will fall apart." "We have too many things to do." "We can't just forget about our housing issue and our education issue." "Why can't we do actions and raise money at the same time?"

Eventually most people came to see that the raising of our own money was a critical issue. They came to realize that it would take all of the organization's energies to reach its goal. Furthermore, people came to realize that it was far better for the organization and for the members' psyche to take six weeks out of the year to raise the necessary funds and be done with it, than to painfully drag the fund raising process on throughout the entire year. As a consequence of this discussion, April and May 1977 were chosen by the leaders as the best months to conduct the Ad Book Campaign. A goal of \$40,000.00 net profit was set. Setting a goal is important so that there is a way of measuring success, so that quotas can be set, and so that there is a way of establishing a system of internal

accountability. After the leaders set a goal of \$40,000.00, the entire organization voted to accept this figure.

The second step in an Ad Book Campaign is to form an Ad Book Committee with a chairperson or co-chairpeople. Given that C.O.P.S. is an organization of organizations, the basic membership of the committee consisted of one person from each member organization. This committee ran the Ad Book Campaign. The committee has a number of tasks to deal with. The committee decides on the quotas that each local organization is responsible for. In 1977, the quota for each local organization was to raise \$1,200.00. The committee also decides on which specialty teams should be formed. Specialty teams are made up of 5-8 people whose sole job is to sell ads to special interest groups. In 1977 C.O.P.S. had a banking and savings & loan team, a politicians team, a builders and developers team, and so on.

Another task of the committee is to set the prices for the ads as well as to decide upon how many books should be printed and how they will be distributed. In the case of the 1977 book, the prices were as follows:

Covers	\$2,000.00	
Gold pages	2,000.00	
Blue pages	1,000.00	
Center page	2,500.00	
Full white page	500.00	
1/2 page	300.00	
1/4 page	150.00	
Patrons	25.00	(one line with just a name and address, used mainly for very small neighborhood businesses)

Friends of C.O.P.S. - \$10,000 (one line with just a name).  
In 1978 a 1/8 page ad for \$75.00 was added to the book. The setting of the prices for the 1977 book was very difficult for people because they felt extremely uneasy about the seemingly high prices for ads.

However, this was another opportunity for the philosophy of the book to be discussed in depth.

The committee also decided to print only 1,000 copies of the ad book and to distribute them at a celebration dance. The only people who received a copy in the mail were people who took ads for \$150.00 or more. Again, there was discussion around this: "How could we call this an ad book if only 1,000 copies were going to be printed?" "No businessman will take an ad with such limited circulation."

In dealing with this concern two points were brought out here. First, the members were shown how their ad book was not an ad book in the traditional sense. Certainly, through its networks in the community, C.O.P.S. would let people know who did not buy an ad; however, it was again stressed that we were seeking dues and/or establishing relationships of mutual respect and that these were the reasons why a businessman should purchase an ad. Second, it was pointed out that the economics of an ad book dictate that not too many copies be printed. If 100,000 copies of the book are to be printed, the costs would be astronomical. Once everyone began to see both points, agreement was reached on printing 1,000 copies. As it turns out, this has worked extremely well. In 1977, for example, the ad book grossed \$49,500.00 and the net profit was \$47,500.00 and in 1978 the gross profit was \$64,500.00 and the net profit was \$61,000.00.

Prior to beginning the campaign, the committee selects six to seven leaders whose job it is to train the local organizations and the specialty teams on how to reach their assigned quotas. The trainers take two weeks out before the actual six week campaign begins to do this.

The training aspect of the Ad Book Campaign provides the organization with a golden opportunity to demonstrate to new members that the paid staff are not the only people who are capable of and/or should be involved in developing organizational skills among the membership. Besides this, the role of trainer affords a new and very challenging job for some of the key leaders in the organization while at the same time giving them an opportunity to assess their potential for serving in other leadership roles. The training process is important for assuring total commitment on the part of the membership to the Ad Book philosophy discussed earlier in this paper. Once the trainers have been selected and the philosophy is emplaced in people's minds, the actual training can begin.

Since the approach to selling ads is familiar to that taken in other types of actions, the first step the trainers take is to get the people in the local organizations and the specialty teams to talk about how they feel about the issue of raising money. People's feelings are of reluctance and fear of asking for large amounts of money are brought out. This is where the philosophy of the ad book is discussed.

After this, the trainers walk the locals through a community analysis of their neighborhoods. "Where do we do business?" "Who has clout in our area?" "Where do our churches do business?" Needless to say, C.O.P.S. always gets good single ads from funeral homes.

The specialty teams do a power analysis of their area of responsibility. The banking team, for example, researches the officers and board members of the banks and savings & loans. This process not only enables the organization to determine the right target to go after, but it also provides valuable training and information

that can be used in later dealings with the people in power around future issues.

The next step in the training process is hours and hours of role playing. Through the role playing, the trainers are able to lift up to the people some of the most essential elements of actions and negotiations.

Then, finally it is time for the action. Each action is followed by a de-briefing. "How did we do?" "Why were we nervous?" The key reminder - "We did not go there to beg."

The members get into bankers' and developers' offices. They get a feel for plush carpeting and expensive furniture. At times they get angry; at times they feel elated. It's exciting. They have fun. The key is that it is not begging; it is an action.

There is one more very important task that the Ad Book Committee must do and that is it must organize the turn-in meetings. A turn-in meeting is simply where the local organizations and the specialty teams come together to turn in the money that they have raised to that date. In the case of the 1977 C.O.P.S. Ad Book Campaign, there was a meeting once every two weeks for the six week period of time that the campaign ran. Each local organization was responsible for bringing a good sized delegation to the meeting.

There are basically three major points to these meetings:

- 1) INTERNAL ACCOUNTABILITY - Each local organization and specialty team is called up to the front of the room by the Chairperson of the Ad Book and is asked to turn in the money they have raised. The amount turned in is recorded on a chart which is in the front of the room for everyone to see. The chart has the name of each local organization and specialty team on it.

- 2) STORIES - Different people tell stories about their attempts to sell ads. The objective of these stories is to give various people recognition in front of everyone for their efforts. When people bring in large checks, everyone gets to feeling good about the organization and about the people who are bringing in the money. It also serves notice to those who are slouching off and begins to make them feel guilty about their lack of effort.

Stories of struggle and turn-downs are also related at the meeting. People talk about their fears of going out to ask for money, and about how they felt about being turned down in some instances.

Some people tell stories of why they were turned down and why they are angry at the person who turned them down. Who turned us down is discussed and they are duly remembered by everyone, especially if they are someone in a power position. They are considered as people who still do not choose to contribute to the efforts that the organization is making in behalf of the community, or they are people who still choose to treat the organization as less than equals. Along with stories of success and failure, funny stories are told so that some levity and fun can be injected into the meeting. Every organization has its comedians and ad book campaigns always provides a wealth of material for them to perform with.

- 3) MORALE BUILDING - The chairperson of the Ad Book Committee uses this part of the meeting to congratulate, cajole, or reprimand, whatever the case may be. The main emphasis is on making sure that the goal will be reached and that everyone understands the importance of reaching that goal to the organization. Everyone needs to leave the meeting committed to doing their share.

A great deal of work goes into organizing the turn-in meetings. The chairperson must know beforehand who is doing a good job, who is trying but not succeeding, who is not trying at all, and who can tell the kinds of stories that are necessary for a successful meeting to take place. This requires the chairperson and the members of the Ad Book Committee to be in constant

contact with the local organizations and each other. As a consequence of this kind of communication, the Ad Book provides a vehicle for a great deal of contact and relationship building between the various leaders of the organization.



#### IV

##### CONCLUSION

The C.O.P.S. Ad Book has been a tremendous success for the past three years. Each year the organization has been able to reach its goal and thereby retain ownership in its own destiny by virtue of being independently financed. Clearly, the success of the Ad Book is testimony to the power of C.O.P.S. and to the ability of the organization's leadership. However, I feel that it would be a mistake to conclude from this fact that smaller organizations could not profit from an Ad Book Campaign.

If people in an organization approach an Ad Book Campaign as a critical issue in which they have an opportunity to not only raise large sums of money, but to also teach their members many organization principles, then almost any sized organization can profit from an Ad Book. In the case of C.O.P.S., besides raising the necessary funds to maintain the organization's independence, a mechanism was developed for getting key leaders to train other leaders and members on how to do community and power analyses, how to conduct actions and negotiations, and most importantly, how to view money from the perspective of a mass-based citizens' organization. Further, the Ad Book Campaign provided, through the establishment of assigned quotas to local organizations, another means of developing relationships based on accountability.

If you are not begging, if you are developing respect, if you are training leaders, if you are conducting actions, if it is fun, and last but not least, if you have one hell of a celebration to climax the end of the campaign, then an Ad Book can be an extremely effective organizational builder.

#### V

##### RESOURCES

For additional information on raising money from the business sector, refer to VOLUNTEER publications:

Lake View Citizens Council: A Case Story of LVCC Fundraising

Raising Money from the Business Sector: Dispelling the Myths About Approaching Local Industry

For additional information on C.O.P.S. and similar community organizations around the country, refer to:

People, Building Neighborhoods: A Case Study, Appendix Volumes I and II,

Final Report to the President and Congress of the United States:

Available from the U.S. Government Printing Office, document number 0-279-069.

D. CHURCHES

CHURCH FUNDING FOR COMMUNITY BASED ORGANIZATIONS

A BRIEF GUIDE\*

• Why do churches give to community based organizations?

Those churches or denominations which provide financial support to independent community based organizations do so out of deeply felt religious convictions. They believe that their faith requires them to attempt to meet human needs, assist the poor, work for social justice, and promote human dignity. They believe that their own membership should be involved in such efforts and they sometimes provide financial aid to community groups outside their own membership whose work embodies one or more of these religious principles. While each denomination which occasionally makes grants to community based organizations may state their reasons for doing so differently, it is important to recognize and appreciate that each has carefully thought through their reasons for doing so, and in each case those reasons have to do with important religious principles and their understanding of the way in which God works in the world.

• What generalizations can be made about the church funding sources designed to assist local community based organizations?

Generalizations are of course dangerous, but there are a number of concerns which are common to most church funding sources, certainly at the national level. These concerns include: insuring that minority and/or poor people are involved in the planning and implementation of the project and that their problems are

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\*The Center for Community Change worked with the National Rural Center to gather the information contained in this guide. Much of the material is excerpted from the National Rural Center's Resource Guide to Rural Development, 1982 edition.

addressed; the proposal does not duplicate existing efforts in the community or area; there is potential for a grant to leverage additional support as well as help the group move towards self-sufficiency; goals are clearly spelled out and a method for evaluating progress towards the goals has been developed; and organizational leadership capacity to carry out the project successfully either exists or can be developed.

In addition, church funding sources are reluctant to fund capital projects such as construction or equipment or organizations that receive a majority of their support from federal funds. (It is too early to predict how some of the church funding sources will respond to requests from organizations heavily supported by federal funds who will lose federal funding as a result of budget cutbacks.) Most are hesitant to provide funds to simply maintain existing programs, but at the same time, many are sensitive to the fact that while their grant supports a new initiative, there is also the need for core support. Usually church assistance is for a limited duration-- a year or two -- and if a project is refunded for an additional year or more, it is likely that the amount will be less than the original grant. Lastly, the universal concern of church organizations is that violence is neither overtly nor covertly advocated or practiced by potential grantees.

- What's the easiest way to learn all I need to know about the various church funding sources?

There is no easy way. Each national church, religious group, or denomination is organized differently. Some have large national headquarters staffs; others do not. Some have highly developed area or regional structures; others do not. These area and regional structures, which exist between the national level and the local

church or congregation, are called "judicatories," which go by many names in the different denominations: dioceses, associations, conferences, presbyteries, synods, and districts, for example. In some cases, a judicatory covers a city; in others several states. Any area, regional, or national structure is designed to serve the needs of the local churches or congregations, and most of the structures at the area, regional or national level are financed directly by contributions from local churches. No matter what additional steps you may take in your efforts to seek funding from church sources, the first and most important step is to become familiar with the churches in the neighborhoods served by your organization and try to make the most effective contact possible with that church or those churches.

- Why is it so important to try to work out good working relationships with local churches?

A number of community organizations were formed with the active help and participation of local churches. In many neighborhoods and rural areas the local church remains the most influential institution in the lives of residents, and even where it has no money to give the community group it can be a source of free space and volunteers. It is equally true that in some areas one or another local church has been most resistant to the work of community groups committed to change. But whether your experience with local churches has been positive, negative, or mixed, it is important to bear in mind that with very few exceptions, church funding sources at the judicatory level will require some degree of support or approval from their local churches in the area served by the local organization before a grant is made. National church funding sources will require some approval or support (at least not a veto) at the judicatory or local level before making a grant to a community based organization. So, if you haven't done so, get to both clergy and key lay members. Explain your

organization's purposes and goals. If the church is sympathetic to your organization's programs, some members may become involved and perhaps the church can even make a small financial contribution. But even if the local church cannot provide financial support, clergy or key lay people may help you contact other churches of their denomination in the area and/or explain how to apply for funds from any source which may be available within that denomination if the denomination is one that funds community based organizations.

- What about churches outside the neighborhood or immediate area our organization serves?

In addition to seeking church allies within your immediate area, identify judicatory offices of denominations in your area or region which fund community based organizations and may not have local churches in your immediate area. Some of the offices may have staff assigned to handle requests from local community based organizations. Some may help you work through problems with a local church of their denomination in your area. Some may have small amounts of grant money to disburse. In every case where there are judicatory staff who are sympathetic to the needs of local groups, there should be some person who knows how his/her denomination works with respect to funding community based organizations, or is in a position to find out. Developing allies at the judicatory level is the next best and necessary step to developing strong, sympathetic relationships with local churches. These offices frequently play a crucial role in the funding process.

- How do we get specific information about denominational grant programs?

Someone at the local or judicatory level may be able to provide all the basic information you need about their denomination's programs, but in most cases you will probably still have to seek out specific details yourself. When trying to learn about a national program, you can write for the information, but you may also have to call. It may take a while to make the right connection since staff change assignments periodically and in many cases the staff person responsible for a grants program has other duties as well.

When you get the right person, briefly describe your project and inquire whether or not it falls under the program priorities and requirements of the church funding agency. Second, if it appears that the agency is a potential funding source, inquire about application deadlines and whether or not funds are available for this year. Also, ask for program guidelines, application forms, annual reports, a list of grantees, and any other written information that may be available. Third, inquire about the process for application: at what level should the application be made (local, judicatory, national), who will be responsible for reviewing the application, how long will the review process take, and will on-site visits be made by local, judicatory, or national representatives of the church agency? Lastly, inquire about the need for local church or judicatory involvement.

- After all this work, if we are successful in getting a grant, what is the amount likely to be?

Church funding for community based organizations is limited and, with the exception of a few national grants programs, the grants are relatively small. The largest church funding source for

**CONTINUED**

**1 OF 3**

community based organizations, the Campaign for Human Development of the U.S. Catholic Conference, considered 665 proposals in 1981 and had sufficient funds raised from local churches to make 160 grants, averaging \$36,000. Average grants from other national programs ranged from \$3,000 - \$20,000. If you are receiving funds from a "pot" of money at the judicatory or local level the amounts will be proportionately smaller.

The list of church funding sources which follows is not complete. Don't assume that the list includes all funding sources for each denomination. Some denominations not listed at all may provide funding for community based organizations. Some information may be dated. It is hard to keep up with all the changes.

#### U.S. Catholic Conference - Campaign for Human Development

The Campaign for Human Development (CHD) is a social justice program seeking to attack the root causes of poverty in American society. CHD is financed through an annual collection in the Catholic churches in the United States. Seventy-five percent of the diocesan CHD collection is sent to the national office in Washington, D.C. The remaining twenty-five percent stays in the diocese for local funding of community groups. CHD provides funds through both a grant program and an economic development loan program.

#### CHD Grant Program

The grant program funds self-help projects of the poor directed at long-term solutions in the critical areas of economic and social development, housing, education, health care, legal assistance, and communications. To obtain CHD's support, projects must:

- benefit the poor; the majority of those benefiting from the projects must be members of the low-income community
- be self-help projects of poor and oppressed people; that is, projects must be directed by the low-income groups themselves

- aim to bring about social change by attacking the root causes of poverty: unjust institutions, laws, or policies that keep people poor

Priority is given to (a) projects which directly benefit a larger number of people rather than a few individuals; (b) projects which generate cooperation among and within diverse groups in the interest of a more integrated and mutually understanding society; (c) projects which indicate and document that as a result of CHD funding, there are short-range possibilities of generating funds from other sources or becoming self-supporting within the time lines established in the proposal.

Funds are allocated on a non-denominational basis. CHD will normally consider proposals requesting grants of no less than \$10,000 and no more than \$100,000. In 1981 the average grant size was \$36,000. The funding split was approximately sixty percent urban and forty percent rural. In 1981, approximately \$6 million was awarded in grants, with particular emphasis on social development.

#### Economic Development Loan Program

The loan program makes loans to community or worker-owned and managed enterprises in poverty communities. Most of these enterprises are production cooperatives, although tribally owned ventures may also qualify. The loan program is capitalized at \$1.7 million. The loans range from \$10,000 to \$50,000 with a maximum duration of 10 years depending on the purpose of the loan. The loans are charged no interest.

Application Process: application forms and criteria, guidelines, and annual reports are available from CHD. Assistance in filling out applications is available. Organizations considering applying should go through a preapplication process before January to determine their eligibility before submitting an application. Loan applications are accepted year round and generally take four months to process.

Contact: Campaign for Human Development  
U.S. Catholic Conference  
1312 Massachusetts Avenue, N.W.  
Washington, D.C. 20005  
(202) 659-6650

United Presbyterian Church - Self-Development of People

The Self-Development of People program addresses the needs of poor and minority communities, domestically and internationally, in the fields of economic development, training, education, health, housing and justice. Projects are approved by a 31-member National Committee. Basic criteria for funding are as follows: the proposal must originate within a community of need; long-term goals must be addressed; change must be sought; relationships must be built with surrounding institutions; self-sufficiency must be fostered; and clear goals and evaluation methods for measuring goal attainment must be stated.

Application Process: Guidelines are available from the National Committee. Applications should be received between January 1 and March 31.

Contact: National Committee on the Self-Development of People  
United Presbyterian Church  
475 Riverside Drive, Room 1260  
New York, New York 10115  
(212) 870-2563

United Presbyterian Church - Women's Opportunity Giving Fund

The purpose of the Women's Opportunity Giving Fund is to help fund projects which meet a crucial need for persons who are hurting and projects which are judged to be of critical importance in accord with current priorities of the church. Projects must provide some form of aid which relates directly to the persons served; offer some indication of the changes, either long-term or short-term, that may take place as a result of funding the project; insure that women and minorities will not be deliberately excluded and that the project in no way contributes to sexism or racism. Projects should identify any possibilities they have for improving conditions of life for women and minorities; be seeking a one-time grant, although the project may not necessarily be completed in a single year; and have a clearly defined purpose. In addition, emphasis is placed on projects which are not included in the regular budget for which supplementary funds are being sought. The size of grants ranges from \$2,000 to \$25,000 - \$30,000.

Application Process: Application deadlines are June 15 for the fall review and December 15 for the spring review. Ten copies of the application must be sent to the address below. The application must state the project's purpose, provide information on what other funding sources are being explored, with amounts requested from each and amounts received, and describe the process to be used for evaluation. Prior consultation with the appropriate synod, and the securing of synod approval, is required. A project application form will be sent upon request.

Contact: Marilyn M. Clark  
Associate for Women's Giving  
The Program Agency, UPCUSA  
475 Riverside Drive, Room 1151  
New York, New York 10115  
(212) 870-2674, 2675

United Presbyterian Church - Presbyterian Economic Development Corporation (PEDCO)

PEDCO was capitalized in 1968 with a one-time investment of the United Presbyterian Church. Its purpose is to make investments to minority disadvantaged persons who could not otherwise get capital for such purposes and whose use of the money is likely to create new employment for economically disadvantaged persons, provide jobs, training and skills for the same people, and generally provide a fall-out of economic betterment to such persons and the areas where they live. The maximum loan available from PEDCO is \$200,000, with the maximum maturity of 10 years. Loans are channeled to minority enterprises or nonprofit housing sponsors. In addition, the Witherspoon Development Corporation, as a subsidiary corporation to PEDCO, provides second round financing for expansion of improvements for existing businesses.

Application Process: Program guidelines are available from the address below.

Contact: Presbyterian Economic Development Corporation (PEDCO)  
475 Riverside Drive  
New York, New York 10115  
(212) 870-2125



United Methodist Church - Minority Group Self-Determination Fund

The Minority Group Self-Determination Fund provides 40% of its funds (approximately \$400,000 annually) for projects of community organizations which demonstrate broad-based community participation and membership, which have proven to be successful change mechanisms in the community, and which have been in existence at least one year. Only those proposals which demonstrate the principle of self-determination by ethnic minority groups will be funded. Priority is given to those projects which are committed to social change.

Application Process: Guidelines are available from the Commission on Religion and Race. Proposal deadlines are December 1 and July 1. The Funding Committee meets in March and December. The maximum grant is generally \$15,000, and funding is limited to three years. Commission staff will assist in the preparation of proposals, and before funding any request an on-site visit will be conducted.

Contact: The Commission on Religion and Race  
Minority Group Self-Determination Fund  
110 Maryland Avenue, N.E., P.O. Box 48-49  
Washington, D.C. 20002  
(202) 547-2271

Episcopal Church - Coalition for Human Needs

The Coalition for Human Needs will consider proposals for programs which address new and emerging needs relating to ethnic minority concerns in church or community based programs, and programs which address basic human needs and issues of social, economic and political justice. The Coalition brings together various ethnic and issue-oriented groups to address common concerns. These program areas include: American Indian/Alaskan Native, Asian, Black, Hispanic, Hunger, Housing, Social Ministries, and Appalachian. In addition, the Community Leadership and Development section of the Coalition provides training to assist programs which meet the Coalition's criteria. Training may involve one or more of these categories: administration, communication, leadership,

management, proposal writing, accounting and financial control, marketing research and development, cooperative economics, agricultural specialties, and general training as identified.

Application Process: Guidelines and application forms are available from the national office. A completed application must be signed by the diocesan Bishop or his appointed representative. Funding decisions are made in May and November. Deadlines for receipt of applications are in February and August. In 1981 approximately \$800,000 was awarded, and the average grant was \$8,000 - \$9,000.

Contact: Coalition for Human Needs  
Episcopal Church Center  
815 Second Avenue  
New York, New York 10017  
(212) 867-8400

Episcopal Church - United Thank Offering

The United Thank Offering makes grants to address the following issues, both domestically and internationally: (1) new mission strategy; (2) needs of developing dioceses and provinces; (3) needs of new or disadvantaged congregations; (4) programs to strengthen and encourage indigenous ministry; (5) service to those with special needs; (6) root causes of poverty, hunger, and related social problems; and (7) reconciliation of all peoples. The United Thank Offering is financed through small daily contributions by many individual Episcopalians. The collections have enabled the program to make grants for about \$2 million per year. For example, in 1978 \$2,175,925 was granted, in amounts ranging from \$3,500 to \$60,000 (most in \$5,000-\$35,000 range).

Preference is given to grant requests which are initiated by an agency of the Episcopal Church or as a result of planning in consultation with the local or regional church bodies; which request one-time seed money for a new program that will attract permanent funding; and which benefit the community that has been involved in the project's planning and implementation.



Application Process: Grant requests must be submitted in quadruplicate on forms obtained from the Bishop of the diocese in which the request originates, and must have the signature and approval of the Bishop. The deadline for 1983 requests is March 31, 1982. Decisions on funding allocations are made in the fall.

Contact: United Thank Offering  
Episcopal Church Center  
815 Second Avenue  
New York, New York 10017  
(212) 867-8400, ext. 380

Christian Church (Disciples of Christ) - Reconciliation Fund

The objective of the Reconciliation Fund in the Christian Church (Disciples of Christ) is to seek solutions to the problems related to race and poverty in the United States and Canada. The General Reconciliation Committee gives priority to grants for national or multi-state programs and for programs related to racial minority congregations of the Christian Church which do one or more of the following things: (1) strike at the root causes of poverty and racial discrimination; (2) seek to change systems (e.g., laws, institutions, company practices); (3) seek to have significant importance to racial minority congregations of the Christian Church; (4) seek to overcome the injustices which racial minorities and the poor still face; (5) seek to achieve empowerment of groups with opportunities for self-development. Consideration is not normally given to requests for capital expenditures, loans for business ventures or to liquidate indebtedness. Half of the funds are administered by the General Reconciliation Committee, and the other half is administered at the regional (usually state) level for regional (state) or local projects.

Application Process: Applications made to the General Reconciliation Committee should be made by September 1. Application forms are available and must be submitted prior to consideration. Assistance in completing the form is available from national and regional staff. Inquiries regarding regional contacts and funding sources should be made to the national office. Priority consideration

is given to programs directly related to minority Christian (Disciples of Christ) congregations. Grants average \$5,000 - \$8,000 and about 25 or 30 are awarded each year.

Contact: Reconciliation  
Christian Church  
P.O. Box 1986  
Indianapolis, Indiana 46206  
(317) 353-1491

American Lutheran Church - Development Assistance Program

The Development Assistance Program seeks to assist people working together in organized ways through the structures of society to assure their own development. Projects which have a reasonable probability of bringing about constructive change in social institutions and structures and in community conditions that shape the lives of people are considered. DAP grants are primarily used as seed money for projects of, by and for the poor and for minorities and projects which create a partnership entity between some segment of the American Lutheran Church and the poor and the minorities of the community. In 1981, approximately \$350,000 was granted to local projects. In addition, each district of the American Lutheran Church has at its disposal \$4,000 in discretionary funds which the District Committee may draw upon in a situation which requires immediate funding.

Application Process: Application guidelines are available from the Development Assistance Program. All project applications must go through one of 19 District Committees. The national office will provide the address and telephone number of the district office you should contact.

Contact: Development Assistance Program  
The American Lutheran Church  
422 South Fifth Street  
Minneapolis, Minnesota 55415  
(612) 330-3152

#### The Lutheran Church - Missouri Synod; World Relief

The LCMS World Relief is the official unit of the Lutheran Church - Missouri Synod which provides grants for disaster and relief, rehabilitation, refugee, hunger, and development programs; both overseas and within the USA. While the major emphasis is on overseas projects, between \$400,000 and \$500,000 are annually available for domestic grants.

Priorities for all programs are: (1) self-help, including agricultural and rural development programs, vocational training, feeding, and relief programs; (2) programs in which LCMS World Relief funds serve as seed money, or have a multiplier effect in securing support from other sources, (3) programs in which LCMS members, congregations, and/or clergymen are directly involved. Grants for domestic programs generally do not exceed \$10,000, and funding is normally not extended beyond three years.

Application Process: Guidelines and application forms are available from the World Relief Office. Three copies of the application and three copies of a written explanation or description of the program should be submitted to either the national office or the District Board of Social Ministry and World Relief. Endorsement by the District Board in the district where the project is located is required for all domestic grants, and must be secured prior to consideration for funding. Application deadlines are in February and August, with decisions in March and September.

Contact: World Relief  
The Lutheran Church - Missouri Synod  
Board of Social Ministry and World Relief  
500 North Broadway \*  
St. Louis, Missouri 63102  
(314) 231-6969, ext. 263

\*Note: In November 1983, the Missouri Synod will move to a new address:

1333 South Kirkwood Road  
St. Louis, Missouri 63122

#### The Reformed Church in America - World Service

The Hunger and Development Programs of the Reformed Church are underwritten through Reformed Church World Service (RCWS). RCWS is not a separate agency but is integrated within the General Program Council of the Reformed Church in America. The RCWS policy specifies three broad areas of concern: (a) relief of acute human need due to natural disasters; (b) response to suffering brought about by human actions such as war, terrorism, and political crises; (c) programs in developing societies that deal with root causes of hunger and poverty. Moving beyond relief, the churches seek to encourage projects holding forth hope for socio-economic conditions that are built on justice and development of people's full potential.

In accordance with these guidelines, which are applicable both within the US and overseas, RCWS supports a wide variety of projects around the world. These include agricultural development, well-digging and water development, legal assistance to the poor, programmed instruction in family planning, food distribution, self-help projects, and advocacy for the liberation of oppressed peoples.

Application Process: There is no formal process. About \$100,000 will be granted to domestic projects.

Contact: Reformed Church World Service  
Room 1827  
475 Riverside Drive  
New York, New York 10115  
(212) 870-3073

#### North Shore Unitarian Society - Veatch Program

The North Shore Unitarian Veatch Program makes grants primarily to support Unitarian Church projects, but also to some non-church organizations that are pursuing advocacy or public policy work relating to its priority issue areas. These areas include criminal justice, mental health, first amendment issues, media access, minority rights and other specialized discrimination, women's rights, children and youth, military and foreign policy, nuclear energy, housing, and community organization and technical assistance.

Most of the community based organizations they have funded are on Long Island or in the Nassau County, New York area, but there are a few exceptions. Community groups in other areas who team up with their local Unitarian Church and have the church apply on their behalf may possibly be able to get Veatch support for their activities. Most of the grants range from \$15,000 to \$40,000, though some are as high as \$75,000.

Application Process: Send a letter to the address below giving background information about the organization and the purpose for which funds are being requested. The application will go through a review process before it is submitted to the board, which meets monthly.

Contact: The Veatch Program  
North Shore Unitarian Society  
Plandome Road  
Plandome, New York 11030  
(516) 627-6576

#### Hunger Funds

A number of denominations have funds earmarked for domestic hunger projects. In seeking to eliminate the root causes of hunger, a number of approaches are being supported. Apart from seeking to meet nutrition needs, a broad range of human needs are being addressed. To some extent, this has entailed the support of projects related to social and economic development. Moreover, projects which are multi-dimensional, in that they are related to food production as well as economic development, are especially favored (e.g., community canning centers, farmer-to-market cooperatives, etc.) In funding hunger projects churches are concerned that projects include: participation by indigenous persons in planning and implementation of the project; involvement of women and minorities; and empowerment of people to become self-reliant.

#### The Presbyterian Hunger Program

The Presbyterian Hunger Program responds to issues of domestic and international hunger on behalf of both the Presbyterian Church in the United States and the United Presbyterian Church in the U.S.A. This joint program began its life on January 1, 1981 and represents a uniting of hunger efforts of the former UPC Hunger Program and the PCUS Office of World Hunger.

The Presbyterian Hunger Program is committed to the mission imperative of both denominations to alleviate hunger with actions ranging from feeding hungry people to addressing those economic and social injustices which are the root causes of hunger. Categories of funding priorities are: direct food relief, hunger-related development, public policy, lifestyle integrity, and education and interpretation.

Application Process: Funding proposals may be submitted to the Presbyterian Hunger Program directly from projects, through middle judicatories (synods, presbyteries), or from ecumenical groups.

Procedures call for proposals to be reviewed by the local presbytery/presbyteries and regional synod/synods within which the project is to function. Applications will not be approved for funding without those reviews, and it is the responsibility of applicants to take the initiative. If applications are sent to a national office, they will send you the addresses of the appropriate presbytery and/or synod.

Although it is not necessary to secure review and comments from the judicatories before submitting the original application, such reviews must be completed in time for the committee to consider judicatory recommendations in making their final decision.

Staff responsibilities are being carried out on a programmatic basis rather than a geographic one, allowing for each Presbyterian Hunger Program staff team member to serve both denominations. Six copies of applications should be submitted. Deadlines for applications are November 30 and June 30, with decisions in March and October.

Contact: For Domestic Hunger Relief and Development Projects:

The Presbyterian Hunger Program  
UPCUSA  
475 Riverside Drive, Room 1268  
New York, New York 10115  
(212) 870-3107, 3108

For Education and Consciousness-Raising  
on Hunger Issues

The Presbyterian Hunger Program  
PCUS  
341 Ponce de Leon Avenue, N.E.  
Atlanta, Georgia 30365  
(404) 873-1531

American Lutheran Church - Development Assistance Program

As part of its overall responsibility, the Development Assistance Program Committee provides a limited amount of assistance to local and regional hunger-related projects. Projects are considered which will provide: (a) support for advocacy efforts by/with hungry persons toward public policy changes and improvement of public food programs' effectiveness; and (b) support for relating hungry persons to public food programs for which they are eligible, through outreach, referral, counseling, etc. The maximum grant amount will normally be \$5,000. Grant requests must come from entities which are related to American Lutheran Church congregations or come as proposals recommended by such congregations. In 1981, projects were funded for a total of \$125,000.

Application Process: Guidelines are available from the Development Assistance Program Committee.

Contact: Development Assistance Program Committee  
The American Lutheran Church  
422 South Fifth Street  
Minneapolis, Minnesota 55415  
(612) 330-3152

United Church of Christ Hunger Action Fund

The United Church of Christ (UCC), through the Hunger Action Fund, has supported a wide variety of projects in many parts of the country, in both urban areas and rural countryside, which directly provide aid to hungry people and which have enabled hundreds of persons to increase their ability to help themselves.

Projects that involve three major areas of concern are supported by the Hunger Action Fund: constituency education and mobilization, using funds to identify, develop and distribute hunger resources; public policy advocacy and legislative action; and aid and development (primarily in the USA). Favorable consideration is also given to projects which (1) get at root causes of hunger; (2) seek seed money for launching innovative projects or programs, provided adequate provision is made for continued funding; (3) seek one-time grants rather than repeated funding; (4) relate to projects or programs dealing with the needs of women in the hungry world; and (5) seek funds to match conference, instrumentality or other agency funds. Grant awards range from \$500 to \$10,000.

Application Process: An outline for grant applications is available, as well as an annotated listing of grants awarded and guidelines and procedures for allocation of monies. Sponsorship by the United Church of Christ conference in the region in which the project is located, or by a national UCC agency, is required.

Contact: United Church of Christ Hunger Action Fund  
UCC Hunger Coordinator  
475 Riverside Drive, 16th Floor  
New York, New York 10115  
(212) 870-2951

American Baptist Church - Hunger Program for Domestic Projects

The American Baptist Church has limited resources under its Hunger Program for Domestic Projects. Preference is given to those projects which have been approved by the Ecumenical Review Board. Also, a letter of support from the judicatory stating support of the project is required.

Application Process: Information about application process is available from the address below.

Contact: Domestic Poverty and Hunger  
National Ministries  
American Baptist Churches  
Valley Forge, Pennsylvania 19481  
(215) 768-2418

The Episcopal Church - Presiding Bishop's Fund for World Relief

The Presiding Bishop's Fund is an official channel of the Episcopal Church for responding to human need throughout the world and within the United States. Grants are made in four categories - disaster relief, rehabilitation, development and refugee/migration. Within the development category, the Fund responds to problems of domestic hunger and malnutrition, particularly among the poor and the elderly living in cities and rural areas. For example, it sponsors nutrition education and food stamp outreach programs on behalf of the deprived. Assistance is also provided on a limited basis for community development projects and for disaster relief. Through parishes and congregations of the Episcopal Church, the Fund encourages and supports the church's refugee ministry facilitating the resettlement of refugees from all parts of the globe. Grants are also made to programs and projects which provide aid and relief to refugee victims of war and famine, both in the United States and in countries where refugees have sought "first asylum." Whenever possible the Fund makes grants through dioceses of the Episcopal Church or in partnership with sister provinces of the Anglican communion.

Application Process: General information about the Fund, a report of grants made in 1981, a grant request form, and application guidelines are available. Grants are made at regular meetings held three to four times a year.

Contact: The Presiding Bishop's Fund for World Relief  
The Episcopal Church Center  
815 Second Avenue  
New York, New York 10017  
(212) 867-8400

Ecumenical Agencies

Churches and church groups work through ecumenical agencies in various ways and at different levels. Included in the role of some state or regional ecumenical agencies is the capacity to broker financial assistance for a project among more than one judicatory. Some of these have formal applications. Some are quite open to creative ideas, while others are less so. The names, addresses, staff, and major activities of these agencies are listed in the current Yearbook of American and Canadian Churches (Nashville, Abingdon Press). Additional insight can be obtained from the Commission on Regional and Local Ecumenism, National Council of Churches, 475 Riverside Drive, New York, New York 10115 (phone: 212/870-2158). The NCC Commission on Regional and Local Ecumenism is not a funding source.

There is at least one regional ecumenical organization which funds community groups in their region - The Commission on Religion in Appalachia (CORA).

The Commission on Religion in Appalachia is an ecumenical coalition designed to develop a united approach to the Church's concern for poverty in the 13-state Appalachian mountain region. CORA works through task forces of church leaders to address particular issues and/or problems common to Appalachia. One element of CORA is the Appalachian Development Projects Committee, which was established to raise and distribute funds to community-based organizations whose controlling boards are made up of at least 75% representatives of the group being served. Funds are granted for the purposes of community organization, citizen advocacy, and economic or service development. The assistance offered may be financial and/or technical. The following

criteria are applied in examining proposals; projects should contribute to meeting basic human needs; contribute to the building of community; contribute to institutional and systemic change; and contribute to self-determination and the empowerment of people. A goal of awarding \$350,000 has been set annually, though this has not always been reached.

Application Process: Proposal outlines and criteria for project selection are available from CORA. The application deadline for proposals to be considered for the following calendar year is February 1. Forms are provided on request.

Contact: Appalachian Development Projects Committee  
Commission on Religion in Appalachia  
864 Weisgarber Road, N.W.  
Knoxville, Tennessee 37919  
(615) 584-6133

Another ecumenical agency which can be of assistance to community groups is the Interreligious Foundation for Community Organization (IFCO). IFCO is a church and community agency whose mission is to help forward the struggles of oppressed people for justice and self-determination. Formed in the late sixties, it gives technical assistance and fundraising guidance to groups working for social change.

Application Process: Send a letter or a proposal.

Contact: Interreligious Foundation for Community Organization  
384 Convent Avenue  
New York, New York 10031  
(212) 926-5757

A. CONSTITUENCY-BASED FUNDRAISING

CONSTITUENCY-BASED FUNDRAISING

I. What Is It?

Constituency-based fundraising is primarily a local fund-raising process of soliciting financial support from those persons in your community who directly or indirectly benefit from your services. Support is also sought from those individuals who, for whatever the reason, can easily identify with and value the work and mission of your organization.

Given this definition, the targets of such a fundraising effort are therefore usually identifiable - those persons who recognize, or can be made to recognize, that your continued survival is in their best interests. They are your clients; the families and friends of your clients; the neighborhoods and businesses that are made safer because of the impact of your delinquency prevention strategies; juvenile justice personnel who depend on and appreciate your support of their efforts; and a plethora of other individuals and groups whose lives are made better or whose work is made easier because of you.

II. Why Do It?

There are a number of benefits inherent in constituency-based fundraising, as a local fundraising process, that relate directly to the survival and success of neighborhood and community organizations. Bob Johnsen, in the preface to the monograph, Local Fundraising: Detailed Strategies For Working Towards Self-Sufficiency,<sup>1</sup> suggested that perhaps the most important of these are: accountability, permanency, dignity and respect, consistency, and independence.

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<sup>1</sup>Bond, Jessie. Local Fundraising: Detailed Strategies for Working Towards Self-Sufficiency. Washington, D.C: VOLUNTEER: National Center for Citizen Involvement, January 1980.



The success of your constituency-based fundraising campaign will depend upon how your organization is perceived by those with whom you work and the community in which you work. In essence you are asking that the public give your organization a vote of confidence through financially investing in its future. Thus, in seeking such support you would be concerned that your organization is accountable to its constituency and public through being responsive to constituent needs and amenable to neighborhood/community input and participation.

If you are successful in being accountable you probably will also be successful in building a broad and solid funding base that will lead to a greater sense of permanency in regard to your organization's future; a stronger consistency in its programming because of a lack of dependency on the programmatic agendas of outside funding sources; a firmer feeling of independence due to increased self-reliance; and a stronger and more real sense of dignity and respect that stems from your organization's accomplishments.

### III. How To Do It?

The two purest forms of constituency-based fundraising are canvassing and membership drives. The following two articles by Jessie Bond detail the "how-to's" of those fundraising strategies.

#### CANVASSING \*

##### INTRODUCTION

Successful local fundraising draws money from all segments of the community. Each event or method of raising money is linked to all the other events in an overall plan for touching everyone once -- and no one more than once or twice -- within a reasonable period of time. This involves developing in advance a fundraising calendar that schedules diverse events throughout the year. With proper planning, you can avoid asking the same segment of your community for funds time after time.

Canvassing is one method that reaches the whole community in a door-to-door appeal for contributions. It touches those who are not already contributing to your organization by paying membership dues, attending meetings, or taking part in special events.

For a successful and lucrative canvassing operation, both staff and canvassers must pay careful attention to regulations and devote much time and hard work. Talking with other groups who have done canvassing in their community is also an ingredient to success. They can tell you how they went about it, the problems they encountered, and the lessons they learned from their experience.

##### HIRING STAFF

Organization is essential, and it is best accomplished by a paid staff. Hire a full-time canvassing director for the duration of the canvassing operation. He or she will be responsible for all preliminary research and compliance with laws, hiring and firing staff, and overseeing the program. In addition, field

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\*Reprinted with permission from Local Fundraising: Detailed Strategies for Working Towards Self-Sufficiency by Jessie Bond, for VOLUNTEER: National Center for Citizen Involvement, Washington, D.C., January 1980.



manager(s) are required to oversee the canvassers (training, assigning, collecting money from them). At the minimum, you need one field manager, but more may be necessary depending on the number of canvassers you have. Normally, one field manager is responsible for 5 - 10 canvassers.

#### PRELIMINARY RESEARCH

The first task the canvassing director should undertake is to check on solicitation laws and requirements in your state. Contact the state Attorney General's office for the information. You will be required to register and report earnings at the very minimum. Do not fail to stay in compliance with the laws or your operation could be stopped. You could even be sued, as Citizens for a Better Environment in Illinois was sued by the Attorney General, for failure to comply with a statutory limitation on earnings.

The next important step is researching your community to determine whether canvassing is feasible. City neighborhoods with a normal household density (houses close enough that canvassers can approach 80 houses in 5 hours) are best; so are neighborhoods where the average income per household is \$9,000. Households earning less than this are generally not as responsive to demands for money. Yet this does not mean you cannot raise some money in these areas and at the same time inform the people about your organization and its issues. Determine the specific boundaries of the areas you choose and chart them on detailed maps. You will use these maps during the actual canvass.

Having pinpointed a precise area, you need to inform local officials and comply with local laws. First, contact the local police department; inform them of your plan and request the necessary

application procedures. Next, call the City Attorney's office to determine what other requirements you must meet for solicitation. This office can be appealed to if the police deny your requests. The Mayor should also be informed of your plans; you may have to appear before a public board whose authority is normally delegated through him.

#### COMPILING MATERIALS

Canvassing requires numerous materials, both for training canvassers and for actual canvassing in the field. Training materials include:

- Fact sheets with detailed information on the organization, explaining its history, purpose, accomplishments, etc., and
- Sample presentations for canvassers to practice.

Field materials include the following:

- Clipboards
- Information on organization (sample presentation for canvasser, brochures, and fact sheets for distribution to households)
- Petition forms (see end of this section for sample petition form)
- Receipt books
- Reply envelope

Have these materials ready before recruiting canvassers.

#### RECRUITING CANVASSERS

Some controversy surrounds the recruitment of canvassers. The problem centers around whether they should be paid workers or volunteers. Part of the answer depends on how large a canvassing operation you plan. Volunteer participation cannot be secured in a venture like this for more than a short period of time (a few weeks at the most), since the only incentive to do it would be dedication to the cause. If you plan to canvass for only a couple of weeks, try recruiting volunteers from your organization, and build in some extra incentives, such as a prize for the person collecting the most money and a prize drawing from a pool of those collecting over a certain amount: (say, \$15 over the established quota).

If you do not receive a large enough response from this volunteer recruitment, or if the canvassing operation will involve more time than two weeks, you will have to offer a small salary to canvassers. Some statewide and national operations (such as the National Organization for Women) run year-round and recruit canvassers through classified ads in major city newspapers. This approach is probably on too large a scale for a local community group since (1) its constituency would not be large enough to warrant a year-long canvass, and (2) it is usually better to have people from your area do the canvassing.

Canvassing only part of the year, however, makes it difficult to find people interested in the work, since it lasts only a few months. Southwest Parish and Neighborhood Federation in Chicago seems to have found a satisfactory solution to this problem. They have run a successful canvassing operation for the last several years, raising \$20,000 this past year. They canvass only in the summer and hire high school and college age youths from the area.

Since they are out of school in the summer and usually seek jobs during those three months, they provide willing workers. In addition, local residents are likely to know or recognize youths from their community when they come to canvass.

Canvass directors, however, can be hard to find on this temporary basis. They are needed full-time during the three months and must be skilled in training and administration. Since it is hard to hire a person with this level of knowledge and skill for only three months, one solution might be to hire a person full-time and year-round, perhaps as a trainer, with the understanding that he or she will be in charge of the canvassing operation for three months. Another suggestion from Southwest Parish and Neighborhood Federation is to hire a person having experience as a field manager who wants to try his or her skills in directing.

Recruit the canvassers, if you choose to use students or organization members within your community, through organizational meetings, community newsletters and newspapers, and community college and high school papers and bulletin boards. Emphasize the purpose of and salary for canvassing in your ads and posters.

When applicants start calling, arrange interviews with them. If after the interview they seem satisfactory, set up several training sessions. Make them mandatory for hiring. If the applicants still feel they want the job, hire them for a trial period. If satisfactory after this week or two, hire them permanently (contingent on meeting the quota). Some canvassing operations also include, as part of the training, an observation day where applicants accompany an experienced canvasser and observe how canvassing is done. Since there tends to be a high turnover in canvassing, the canvassing director will have to hire more people as others quit.

To estimate the number of canvassers you will need per night, determine the number of households in the canvassing area. Divide this by the number of households that can normally be covered by one person per canvassing day in a fairly dense neighborhood (usually 70 - 80). The resulting figure will be the number of nights it would take one person to canvass the entire community. Divide this by the number of canvassing days in your operation and you will have the number of people needed for canvassing per night. If this figure seems too high (if you cannot find or administer that many people for each night), adjust number of days you devote to the operation upward or reduce the number of households in your canvassing area.

#### TRAINING

When canvassers go to an individual's home to solicit funds, they need to know what to say and how to say it. The training session(s) accomplish this by informing canvassers about the organization and teaching canvassing techniques.

When canvassers make their presentation at the door, they are representing and, in effect, selling the organization -- its purposes, accomplishments and future plans. If canvassers do not understand what the organization is, or cannot answer questions beyond the short presentation they give, they will not be effective in soliciting a contribution. It is for this reason that your own community members are preferable, since they are at least familiar with your organization. In addition, provide the canvasser with fact sheets for his or her information and have an enthusiastic and inspiring staff or board member talk about the organization.

You must also show the canvassers what kind of presentation to make and let them practice during the training session. There are certain elements in the approach that have been identified as

important to a successful operation. Canvassers should:

- Carry an I.D. to prove they are legitimate.
- Present a brief statement.
- State their name, the organization they are from, and that they are gathering support for the organization in the form of signatures on a petition and contributions of a certain amount of money (say, \$2.00) or more. Mention if you are offering contributors decals, or newsletters, or community newspapers in return for contributions over a certain amount (say, \$5 or \$10). After this initial statement, they may go into more detail about the issues. Keep persisting with those who are not belligerent and who have no valid excuses for not contributing, touching on other issues that might interest them. But do not argue with someone who is belligerent or who strongly disagrees with your organization and its ideas. Simply thank them and move on.

Have the canvassers practice their presentation in role-playing situations. Each trainee should take both roles at some point in the session. Those playing the person being canvassed should present different difficult responses to the canvassing trainee so he or she can practice confronting uncooperative people. After each role-playing exercise, debrief the participants and discuss the principles they learned.

#### CANVASSING

Once trained and hired, the canvasser is ready to begin canvassing. Actual canvass hours are (rain or shine) Monday through Friday, late afternoon through early evening, usually 3:30 to 8:30 or 4:00 to 9:00. In addition, canvassers must pick up area assignments before going to the field for the five hours and must turn in money to their field manager after canvassing.

When in the field the canvasser goes door-to-door making the presentation and requesting money. He or she should carry all materials, with the petition form on the clipboard for easy signing. Contributors should sign the petition form (giving name and address and phone number) and give their contribution to the canvasser (either by cash or check); the canvasser should give them a receipt and leave information (brochure or fact sheet) on the organization. If the people at the door are not responsive to the appeal, leave information and a reply envelope for them to send a contribution later and go on to the next house.

Each canvasser is required to meet a certain quota each day. It is usually set at \$12 per canvassing hour; thus, for a five hour canvassing period, a canvasser can reasonably make at least \$60. Quotas are valuable and necessary; they provide an incentive to collect at least that amount. It is difficult to hold canvassers accountable otherwise. You should be firm about quotas and hold canvassers accountable on a daily basis.

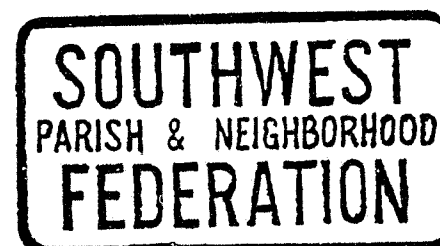
Another effective incentive is salaries based on a certain percentage of the money the canvasser brings in each night, usually 1/3 of the daily intake. This provides the canvasser with even more reason to raise a lot of money. If you prefer, of course, you may pay each canvasser a set salary (about \$125 per week), provided the quota is reached. Such a system would make record-keeping easier.

Each afternoon before leaving for the field, canvassers will meet with their field manager to get the area assignment; after canvassing, they will return to hand in money and report the area that was covered. Often, field managers actually deliver the canvassers to and from their canvassing areas. At least once a week, each group of canvassers and its field manager

should meet to discuss their progress and share stories from the field. This will provide a sense of camaraderie for the group, and field managers can take this opportunity to encourage and spark enthusiasm in the canvassers. This is also a good time for retraining if certain canvassers are being less successful than they (or you) would like them to be.

#### FOLLOW-UP

Petition forms and money should be turned in to field managers. They should be sure each person has met the quota and should note what houses have been covered that day. Then money should be deposited and names and addresses of contributors recorded for your records. Write thank-you letters to all contributors, no matter what the size of the contribution. If they are entitled to anything for their contribution (such as a decal, community newspaper, or newsletter), be sure to send the item and include them on the appropriate mailing list(s),



I wish to include my name on this list of contributors to the Southwest Parish and Neighborhood Federation.

I am in support of the Federation's goals to prevent neighborhood deterioration, ensure safety and stability, and encourage vital commercial improvements in our neighborhoods.

[illegible]

### Address

## MEMBERSHIPS \*

## INTRODUCTION

Your members are your organization -- they contribute time, energy, and even money to make it successful. One form of financial contribution by members is membership dues; individuals contribute a certain amount of money to join the organization. This contribution entitles the members to certain privileges.

Some community organizations' constitutions and by-laws prohibit individual memberships -- the level of membership for these organizations is their member organizations. Yet such community organizations can still have individuals support their activities in a similar manner without calling them dues. The drive for "dues" can be called a contribution drive and contributors can be named sponsors, supporters, or patrons instead of members. Since the process involved in each one is similar, they will be considered together in this how-to.

## ACTIVITIES

Three key elements must be considered and planned when conducting a membership drive: (1) how it will be introduced and implemented; (2) the amount of dues (contributions); and (3) what benefits members will receive. Each of these will be considered in detail:

(1) How will the membership drive be introduced and implemented?

Dues (contributions) are collected from residents of the community you serve. Your first drive might begin with previously interested and active participants in your organization — those

\*By Jessie Bond, in consultation with Robert Johnsen, VOLUNTEER, and Ollie Letzing, Illinois Public Action Council. Reprinted with permission from Local Fundraising: Detailed Strategies for Working Towards Self-Sufficiency by Jessie Bond for VOLUNTEER: National Center for Citizen Involvement, January 1980.

who attend meetings. The most effective strategy is to publicize the campaign at your organization's meetings. For example, community organizations such as Lake View Citizens' Council have in past years designated a number of people (5 - 10 depending on the size of the organization) with prepared and practiced speeches to announce its membership drive at meetings of the large organization and at meetings of smaller member organizations such as committees, block clubs, and neighborhood associations. Such persons know the organization well -- both its functions and its accomplishments -- and can present its case enthusiastically. Have on hand at the meetings and at the organization's office all necessary membership registration information and forms, including the following:

- (a) brochures or fact sheets describing your organization (its function and accomplishments), its budget and need for support, and how an individual can contribute
- (b) individual registration forms
- (c) return envelopes for mailing in money (usually with a registration form attached) (See sample envelope at end of this section)

In future years, as your organization becomes better known and your visibility increases, your membership (number of contributions) will grow. Your goal should be to increase membership (contributions) within each neighborhood of the community and in each category you establish. After the initial year of recruiting from meetings, your recruitment plan should expand. Start with the mailing list from the previous year; send a letter to each person on the list briefly describing the activities and accomplishments of the past year, stating the need for support and asking for continued support in the year ahead. Enclose return

envelopes with registration forms attached. Also, send letters to those who have attended meetings during the year, but who have not yet joined or contributed. (To keep track of the attendance at meetings, always have a sign-in sheet near the door so people can register their name, address, and phone number. Also keep a supply of return envelopes with registration forms attached beside the sign-in sheet so people can become a member anytime throughout the year.) Follow the letters with phone calls if you do not hear within two weeks.

Other strategies can be used as well. You may distribute return envelopes around the community so anyone can join or contribute even if they do not attend meetings or are not on your mailing list. For instance, you can ask churches to announce your drive in their bulletins and have reply envelopes available at the rear of the church. Or, you might consider a door-to-door campaign. What you choose depends on how much time and energy you are willing to devote to the project.

If your organization is made up of smaller member organizations, your drive can be conducted in collaboration with these smaller units. One way of accomplishing this is by conducting drives for both during the same two months, giving people the opportunity to join or contribute to just one organization (either the small sub-unit or the larger organization) or to join or contribute to both for a special fee. If both are joined, the smaller organization would get its membership fee (or contribution) at the same time. Another possibility is to run only one drive for the larger umbrella organization. Smaller organizations, however, would be responsible for soliciting memberships (contributions) in their neighborhoods; in return for their work, they would receive a percentage kickback. You could even arrange a contest to see which neighborhood can collect the most money -- this would provide incentives to even more members.

An efficient system of record-keeping is crucial in a successful membership (contribution) drive. A mailing list of all dues-paying members (contributors) should be compiled from registration forms and kept updated. This list will be used for informational mailings throughout the year concerning community problems, proposed actions, and other fundraising events. Such administrative tasks should be the ongoing responsibility of the secretarial staff, or preferably one or two volunteers. When the drive itself occurs (usually a two-month period), additional help is needed from volunteers who make announcements, staff envelopes, etc. These volunteers should form a membership (contribution) committee that is responsible for the drive. The organization should choose a chairperson to head the committee and organize all its activities.

(2) How much should dues (contributions) be?

Two schools of thought exist on this subject. One group (of which Lake View Citizens' Council is representative) feels that dues (contributions) should be minimal — say \$1 per year — to ensure that all persons can join, including those with low and fixed incomes. Others who are able and willing to contribute more than \$1 are then welcome to do so. LVCC has in past years had 2,000 dues-paying members and has made a total of \$5,000 on its membership drive. Thus, \$2,000 was made from the \$1 mandatory dues, \$3,000 from additional contributions.

Those of the other school (of which Associations of Community Organizations for Reform Now — ACORN — is representative) are of the opinion that higher dues (contributions) — \$16 per year — are more profitable in the long run and are reasonable for people to pay if they believe in and want to have a share in owning the organization.

What your organization determines its dues should be will depend on the philosophy you agree with. One basic rule should govern your decision: membership dues should be high enough that you can make a profit, yet low enough that they are not prohibitive for most people.

One possible solution to this question of where to set dues, if you agree with LVCC's philosophy, is a sliding scale for dues based on income, age, or family groupings. For example, establish a schedule similar to the following:

individuals	\$5/year
families	\$10/year
senior citizens	\$3/year
or	
renters	\$2/year
homeowners	\$5/year
households	\$10/year

Another alternative, especially suitable for a contribution (as opposed to a membership) drive, is a sliding scale where different levels of support carry different titles:

organization sponsor	\$10/year
organization supporter	\$25/year
organization patron	\$50/year

(3) What benefits will dues-paying members (contributors) be entitled to?

Members (contributors) should always be entitled to something in return for their membership (contribution). They should first and foremost be given a voice in the decisions of the organization. Usually, this entails being given a vote at organizational meetings. In addition, members may elect board members and have a say in the issues the organization addresses.



There are other benefits an organization can provide as well. At little cost, you can give members (contributors) decals and stickers to put on their home or car windows. They not only give the member (contributor) something to show for his or her membership (contribution), they are also a good advertisement. Organizational newsletters are another valuable benefit. These keep the member (contributor) informed of community problems, proposed solutions, impending actions, and accomplishments, as well as other special fundraising events. An informative and imaginative newsletter might keep people involved and interested. Another option is the discount coupon book. For a \$15 fee, you can distribute a book with coupons giving 5% discount at community or city-wide businesses. Sometimes such books have previously been compiled by Chambers of Commerce and are available free. Contact your local Chamber of Commerce and ask if such a book is available for distribution. If not, your organization can compile its own by asking businesses in the community to offer a small discount to your members (contributors) upon presentation of the coupons. An endless number of possibilities exists. Remember to match the benefits you offer with the resources you have available. Do not let the expense of benefits minimize the profit you make from dues (contributions).

CONCLUSION

Membership (or contribution) drives can be worth the effort they involve if you have a strong organization with participation from the community. Do not set unrealistic expectations at first for the number of people who will contribute. Remember that the number of people giving to this drive is unquestionably related to the amount of activity in the organization and the amount of participation by residents -- not necessarily to the number of people who live in the community. As your organization grows, so will your membership (contributors).

**MEMBERSHIP APPLICATION**

**LAKE VIEW CITIZENS' COUNCIL**  
3410 N. Sheffield Avenue  
Chicago, Illinois 60657  
472-4050

NAME(S) \_\_\_\_\_

ADDRESS \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE(S) HOME \_\_\_\_\_ WORK \_\_\_\_\_

☐ Individual Membership (minimum \$1.00 each)  
☐ Contributing Member (\$5.00 to \$9.00)  
☐ Supporting Member (\$10.00 to \$24.00)  
☐ Honor Roll Member (\$25.00 over)

I/We also wish to join my/our neighborhood branch (Check one)

\_\_\_\_ BHN, \$1    \_\_\_\_ CLVN, \$1    \_\_\_\_ ELVN, \$2    \_\_\_\_ HN, \$1    \_\_\_\_ NCLVN, \$1  
\_\_\_\_ SLN    \_\_\_\_ SELVN, \$2    \_\_\_\_ SWLVCG, \$1    \_\_\_\_ TN, \$1    \_\_\_\_ WLVA, \$2

ALL CONTRIBUTIONS ARE TAX DEDUCTIBLE

- LVCC COMMUNITY INVOLVEMENT**
- Housing Code Enforcement
  - Anti-Rent Gouging
  - Senior Citizens Caucus
  - Property Taxes
  - Crime & Drug Traffic
  - Education
  - Child Care
  - Insurance Redlining
  - Legal Clinic
  - Health Clinic
  - Operation Whistle Stop
  - Housing Redevelopment
  - Youth & Gang Work

**The Branches of LVCC and their boundaries are:**

- BELMONT HARBOR NEIGHBORS (BHN)** - Belmont to Addison, Lake Michigan to Halsted
- CENTRAL LAKE VIEW NEIGHBORS (CLVN)** - Diversey to Belmont, Halsted to Racine
- EAST LAKE VIEW NEIGHBORS (ELVN)** - Addison to Irving, Lake Michigan to Clark
- HAWTHORNE NEIGHBORS (HN)** - Clark to Racine, Belmont to Addison
- NORTH CENTRAL LAKE VIEW NEIGHBORS (NCLVN)** - Belmont to Addison, Racine to Southport
- SOUTH ALKE VIEW NEIGHBORS (SLVN)** - Racine to Ravenswood, Diversey to Belmont
- SOUTH EAST LAKE VIEW NEIGHBORS (SELVN)** - Diversey to Belmont, Lake Michigan to Halsted
- SOUTH WEST LAKE VIEW CONSERVATION GROUP (SWLVCG)** - Ravenswood to Chicago River, Belmont to Armitage, Lakewood south to River from Diversey.
- TRIANGLE NEIGHBORS (TN)** - Halsted to Clark, Belmont to Addison
- WEST LAKE VIEW ASSOCIATE (WLVA)** - Southport to Ravenswood, Belmont to Addison



B. GRASSROOTS FUNDRAISING

GRASSROOTS FUNDRAISING\*

GRASSROOTS FUNDRAISING IS...

- ... all the ways to raise \$\$\$ using your own members and resources
- ... team sharing, a lot of work with a few or many volunteers
- ... bake sales, dances, carnivals, bingo, raffles, newsletters, dues
- ... a measure of self-sufficiency
- ... honest money
- ... the proven popularity of your program
- ... telling people who you are
- ... selling your organization
- ... democratic way to raise \$\$\$ - anyone can do it
- ... one route to self-sufficiency
- ... good organizing
- ... a resource that takes up the slack between how much we have and how much we want or need
- ... developing or increasing skills (e.g. public relations, speaking, or research)
- ... making most money using least amount of members' time
- ... making decisions for your organization
- ... fun

R E M E M B E R !

The Three P's of Fundraising - PEOPLE - PATIENCE - PRAYERS

Good Fundraising is good business

A good comprehensive Grassroots Fundraising Plan provides procedures, a solid financial base, enthusiastic members, gets better every year, and generates more money with less work.

The Three E's of Fundraising - ENERGY - ENTHUSIASM - EXCITEMENT

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\*by Margaret S. Bursie, Detroit Anti-Hunger and Youth Advocacy Center, 1021 Manistique, Detroit, Michigan 48215. Reprinted with permission.

GRASSROOTS FUNDRAISING MEANS ...

- ... you don't have to be a professional
- ... conquering the fear of asking for money
- ... doing it yourself
- ... good marketing and good manners
- ... asking for money and getting it
- ... learning and growing together
- ... asking friends and family
- ... knowing why you are asking for money
- ... people giving to people
- ... not under-estimating one's giving potential
- ... using your members' energy most effectively
- ... careful planning and hard work
- ... being sure to say thanks
- ... knowing how much money you need to raise

WHY DO IT ...

- ... It pays the bills and builds the organization
- ... To gain peace of mind without fear of a missed payroll.
- ... You gain pride, remember how you feel on payday.
- ... To deepen the commitment of members who participate
- ... To separate those who are not serious.
- ... To share the opportunity for those that are not active members to contribute.
- ... To expand your publicity.

- .. To attract new members.
- .. To have a long-term dependable source of income that is recession- and election-proof.
- .. It is a moral way to raise money with no strings attached.
- .. To build a strong, permanent organization.

## 101 SUREFIRE FUND-RAISING IDEAS

If you work for a church, PTA, hospital auxiliary, service club or any other volunteer organization, no one has to tell you how hard it is to raise enough money to support your group's programs. Tight budgets, drastic cutbacks and inflation have meant that volunteer organizations have been called upon to provide more equipment, supplies and services than ever before - and at much higher costs.

The challenge, then, that faces virtually every organization is to find new, clever and imaginative ways to raise even more money this year than in the past.

Helping your group raise that money is exactly what this special FAMILY CIRCLE fund-raising idea guide is all about!

To collect the 101 moneymaking projects described here we talked with hundreds of women from coast to coast who were generous enough to share their time, ideas and experiences with us. On the following pages you'll find examples of some of their favorite and most successful fund-raising projects. The list includes everything from small-scale endeavors such as book sales and garden fairs to elaborate festivals and decorator showhouses that require months of meticulous planning and preparation.

What the projects have in common, however, is that each one is a proven winner, bringing in hundreds, and sometimes thousands, of dollars to volunteer organizations from Milton, Massachusetts to San Bernardino, California.

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\*By JoAnne Alter, from Family Circle, October, 1976 Reprinted with permission.

Look them over. Learn how different groups have added fresh, imaginative touches to such familiar fund-raising ventures as card parties, bazaars, auctions and house tours; find out how fun-filled social activities can be turned into profitable fund-raisers; and see if you don't find lots of new and exciting ways to expand your own volunteer group's money-making activities.

We hope you enjoy reading this section as much as we enjoyed putting it together. We also hope that time-tested tips included throughout the guide will help make your fund-raisers bigger, better and more successful than ever!

## BAZAARS, FAIRS, CARNIVALS

### 1. Christmas Bazaar

Officially called the "Symphony Bazaar," this fund-raiser helps support the Birmingham, Alabama, Symphony Orchestra - and its sponsors claim it's the biggest bazaar in the country! Christmas is the official theme, and all of the for-sale items are appropriate to give as gifts or to decorate the home for the holidays. Last year the conductor of the symphony composed and signed a musical score that the sponsoring organization had printed on white gift-wrap paper and sold for \$8 per 100-foot roll. This one-day event raises between \$50,000 and \$60,000 every year.

### 2. Garage Sales

Birmingham, Alabama, may or may not have the largest bazaar in the country, but it undoubtedly has the largest garage to have a benefit in - actually, it's 14 attached garages! Handicrafts, baked goods, used home furnishings and even unwanted designer clothes are among the many items offered at this giant sale. In other areas of the country, where only one garage may

be available, organization members collect unwanted merchandise and tag each piece with an appropriate price. Garage sales frequently bring in several hundred dollars in an afternoon.

### 3. Garden Fair

For two days each year, members of Delta Gamma Alumnae in Spokane, Washington, work in and for a local nursery. Half of the women work at the greenhouse as sales people and the other half bring plants to a tea held in someone's home. They charge \$2 admission to the tea, at which they take orders for plants. At the end of the two days, the nursery gives the women who have worked there a 25% commission on whatever plants they've sold; the women who have sold plants at the tea also receive a 25% payment.

### 4. Jewish Festival

Ethnic food specialties are among the many highlights of this three-day fair held during the Memorial Day weekend at the Free Synagogue of Westchester in Mount Vernon, N.Y. Blintzes, potato pancakes, gefilte fish, bagels and lox as well as delicatessen favorites are sold to the thousands of people who attend the fair. Among the other attractions are an art show, an exhibit and sale of Jewish ceremonial objects and a demonstration of Israeli dancing. In addition, there are ferris wheels and carnival rides, games for children and a boutique that offers handmade items and Jewish cookbooks. Last year the proceeds of the festival exceeded \$12,000.

### 5. Rummage Sale

Each fall the Junior League of Tucson, Arizona, sponsors an annual rummage sale in the county center. In addition to clothing, furniture, appliances and housewares, they also sell merchandise that they call "the cream of the crop" - brand new items such as

desks, lamps, pictures and shoes that local retailers have donated. Linens and articles of clothing are the most expensive items - up to \$10; most of the other merchandise goes for 25¢, 50¢ or \$1. On Sunday from 1 P.M. until 5 P.M. everything that's left is marked half-price, and after the rummage sale is over anything that hasn't been sold is donated to Goodwill Industries. Last year, the Junior League of Tucson took in over \$27,000 at this two-day event.

### 6. Toggery Shop

Selling only "gently used" or new merchandise is the business of a school-basement store the PTA of the Stewart Avenue School in Garden City, N.Y., has run for the past 20 years. If the toys, games, books, sporting equipment, handbags, curtains and clothing brought in to be sold aren't absolutely clean and in excellent condition, the PTA simply won't accept them. When the store does accept merchandise, and the item is sold, the person who brought it in gets two-thirds of the sale price and the PTA the remaining third. Some typical bargains are boys' brand-new slacks, \$1.80; blue jeans, 75¢ to 90¢; almost-new ice skates, \$1.20 to \$3; tablecloth and napkin sets, \$3. Selectivity has obviously paid off for these PTA women - they net between \$250 and \$300 each week.

### 7. Wholesaler's Day

This is a "professional" flea market, and a project of the Fresh Meadows, N.Y., chapter of Women's American ORT. Merchants each pay \$15 to set up parking space-sized booths, and the public is invited to browse and buy. No admission fee is charged potential customers.

#### 8. Yankee Bazaar

Women in colonial costumes add to the charm of this annual New England event. At the bazaar, which is held in the clubhouse of the Milton, Massachusetts, Women's Club, visitors have the opportunity to buy knitted items, afghans, quilts and antiques. In addition, they can purchase home-grown plants (\$1.75 to \$3.50 each); chunks of Vermont Cheddar cheese (\$2 per pound); home-baked bread (\$1); cakes (\$2.50 to \$3); and casseroles (\$2.50 to \$3). During the year, the Milton Women's Club sponsors high school scholarships and gives to a number of charities. This event (which runs for only four hours) is held in order to pay the expenses in operating the clubhouse - and it does.

#### 9. Year Round Flea Market

To support the Salt Lake City Humane Society, people in the community constantly contribute both old and new merchandise, much of it handmade. Among the best buys are hand-crafted doll beds and carved wooden rocking horses made by one local couple for \$30 to \$40 each.

#### GOING ONCE, GOING TWICE

#### 10. Celebrity Auction

Items donated by local or national personalities bring in lots of money, particularly when the items are signed by their donors. One successful celebrity auction, held in Garden City, N.Y., included an evening shirt donated by Bob Hope, one of Bing Crosby's wallets, singer Barry Manilow's Grammy Award nomination, a script from TV's "Rhoda" show, a racing suit owned by Mario Andretti, and a lithograph done by Burt Reynolds. But the item that brought in the most money during the auction was one of John Lennon's gold records - it fetched \$1000!

#### 11. Chinese Auction

Actually, a Chinese auction is more a lottery than an auction. Here's how it works: The items to be "auctioned" are displayed on tables around the room; in front of each is a glass bowl or other receptacle. Participants buy tickets, usually 10 for \$5, and place one ticket in the bowl in front of each item they wish to "bid" on. At the end of the evening one ticket from each bowl is selected, and whoever's name (or number) appears on that ticket wins the item. The Women's Guild of the Free Synagogue of Westchester in Mount Vernon, N.Y., recently held a Chinese auction in which 30 donated items were auctioned off. The group raised over \$400.

#### 12. Penny Auction

A penny auction is similar to, but slightly more complicated than a Chinese auction. The items to be offered are displayed at a preview held about 30 minutes before the "bidding" starts. Participants pay an admission charge to the auction and then buy tickets for different amounts of money (usually 1¢, 5¢, 10¢ and 25¢); also when they enter the room in which the preview is being held they're given printed programs which list the amount of money required to "bid" on each item. Later if someone wants to "bid" on a particular item, he or she merely puts the appropriate ticket in a bowl or jar that is passed around the audience while the "auctioneer" talks about that item. Then a winning ticket is pulled out of the bowl and the item given away. Among the 90 donated items "bid on" at a recent penny auction held by the Gardiners Avenue School PTA of Levittown, N.Y., were houseplants, dried-flower arrangements, toys, bottles of wine, hand-embroidered T-shirts, peignoir sets and men's slacks. Many of the items retailed for up to \$35 or \$40 - none was "auctioned" for more than \$25. Members of the

PTA served free coffee and cake during the auction, which took in over \$600.

### 13. Service Auction

In this type of fund-raiser, donations of time and effort are solicited, and donors are asked to come up with imaginative offerings.. At a service auction held by the Women's Guild of the Free Synagogue of Westchester, in Mount Vernon, N.Y., over \$2,200 was bid for such offerings as baby-sitting for an entire weekend; a day-long sailboat trip; a pool party for 20 people; and a husband and wife "butler and maid" team to serve at a dinner party.

### 14. White Elephant Sale

"It shakes when you move it, and I can hear something rattling inside. The paper alone is worth \$2!" That's how one auctioneer, a member of the Fresh Meadows, N.Y., chapter of Women's American ORT, described a gaily wrapped package auctioned off at one of the white-elephant sales held by her organization. Members and other contributors are asked to donate merchandise worth at least \$1 or \$2, and to disguise it with gift wrap. When auctioned off, most of the items go for about \$4 or \$5. What makes a white-elephant sale fun is that although the items have comparable monetary value, it's very possible to bid on what you think is a bottle of champagne, and wind up with a salami instead.

### CURTAINS UP

### 15. Aqua Show

"Broadway Afloat" was the theme of this year's synchronized swimming show at Uniondale High School, Uniondale, N.Y. The 85 costumed members of the Aquatic Club performed various numbers from Broadway shows past and present. Routines at poolside, as well as in the water, enabled non-swimmers to participate in

the program; a diving event was also included. In three nights, the youngsters raised over \$800.

### 16. Broadway Production

This is an annual fund-raiser of the Mount Vernon High School Parents Association in Westchester, N.Y. Sponsors pay \$5 each for tickets; general admission is \$2. The three-night production benefits the high school scholarship fund.

### 17. Concerts

Needless to say, you'll get larger audiences and be able to charge higher ticket prices if you can get well-known performers to entertain at your fund-raiser. A recent concert by singer Paul Simon and several other groups brought in over \$50,000 to the New York Public Library. If you must pay for talent, try to arrange a special rate. And remember, local amateurs can usually be persuaded to donate their talents to a worthy cause, and aspiring performers may be happy to just have some public exposure.

### 18. Film Rentals

Check your local Yellow Pages under the heading "Motion Picture Film Distributors" for organizations that rent out movies. A recent film-showing netted about \$50 for the All Saints' Cooperative Nursery School in Great Neck, N.Y.

### 19. Follies

By staging an elaborate variety show members of the Palomar Memorial Hospital Auxiliary in Escondido, California, raised over \$9,000 this year for a pediatric intensive-care unit. The group hired a director who put together the show in three weeks and provided costumes for the doctors, nurses, secretaries, college students and others who performed. Among the amateur

acts were singing, dancing, comedy skits and an "X-rated Follies" production number put on by some of the women.

#### 20. Male Beauty Pageant

A standing-room-only crowd of over 400 watched, whistled and applauded as 23 contestants between the ages of 19 and 42 walked down a runway, flexed their muscles and otherwise hammed it up as part of the "Great American Male Beauty Pageant" held in Glen Ellyn, Illinois, last April. A function of the DuPage and Aurora chapters of the National Organization for Women, the contest was held to raise money for and draw attention to the campaign to pass the Equal Rights Amendment in Illinois. The seven female judges (including a state legislator and a candidate for U.S. Representative), selected five finalists, who were then asked questions relating to male and female roles. The winner (a 20-year-old weight-lifter and bouncer at a local discotheque) was crowned "Mr. ERA" and awarded a \$100 savings bond. The runner-up, "Mr ERA Congeniality," received a keg of beer. An admission fee of \$1.50 was charged; the event grossed about \$600 for the organization.

#### 21. Marathon Dancing

Two hours on, 10 minutes off - that was the schedule for the 50-hour "Hustle" marathon that 34 students of Adelphi University on Long Island, N.Y., participated in one weekend last March. It was all part of a "Put Your Love in Motion" weekend for the benefit of the National Hemophilia Foundation. In order to enter the contest, each couple had to have sponsor pledges of at least \$200 (one couple alone raised \$2,300). To hold the interest of the 1,500 people who paid \$2 admission to attend, there were many other activities on the Adelphi campus.

A professional dance group gave "Hustle" lessons to spectators; more entertainment was provided by comedian Robert Klein; a "Mr. Adelphi" contest was held and a celebrity auction went on round the clock (see Item No. 10). On Saturday there was a special children's program (Admission: children \$1; adults, free) which included balloon games, cartoons, a clown, magician and a guitar sing-along. Saturday night featured rides in a hot-air balloon (\$5) and more entertainment. All through the weekend there were craft fairs, movie shows, a flea market and food sales. (Food for the dancers was provided by local restaurants and by the dancers' parents, who prepared a "Potluck Supper" on Saturday night.) Sunday morning's highlight was an all-you-can-eat waffle breakfast (see Item No. 32). At the end of the 50-hour dance marathon, which all 34 students completed, one young man who'd been on his feet since Friday offered to run a mile if someone would pledge an additional \$10 - someone did, and he ran the mile. Net proceeds for the weekend were \$23,000.

#### 22. Theater Party

Theater parties such as those planned by the National Council of Jewish Women are held by hundreds of different organizations throughout the country and are popular partially because they're so easy to arrange. Here's how: An organization buys all the seats, or a block of seats, for a given performance of a show and charges those who attend a fixed amount over and above the price of the tickets. Typical donation per person: \$5 to \$25, which sometimes includes refreshments or dinner.

#### 23. Art Show and Sale

Paintings, lithographs and pieces of sculpture were among the artwork exhibited during an Israeli Art Show held at the Free Synagogue of Westchester in Mount Vernon, N.Y. Sponsors

of the exhibit each contributed \$75, which entitled them to attend a champagne preview and to pick one of the art works that had been commissioned by the organization for the event. The show and sale raised several thousand dollars for the Women's Guild of the Synagogue.

#### 24. Doll Show

The Salvation Army of Birmingham, Alabama, runs this popular show every fall. Displays of unusual and antique dolls from public and private collections are on view during the show. In addition, there are dolls made by local residents as well as some donated by merchants and "dressed" by women from the community; many of these can be purchased. At the end of the show, all for-sale dolls that haven't been bought are donated to needy children. Admission charge: \$1.

#### 25. Fashion Luncheon

Merchants who own clothing stores or boutiques and managers of department stores are often willing to lend clothing and accessories to charitable organizations staging fashion shows. One group that has an annual fashion show and luncheon is Pi Gamma Chi Sorority Alumnae of Nashville, Tennessee. Proceeds go toward buying layettes and distributing them to needy mothers in the maternity ward of General Hospital. Last year the women raised \$150; this year \$200.

#### 26. Gallery and Museum Previews

The night before the official opening of a gallery or museum exhibit is a good time to have a champagne or supper preview. One unusual preview was held in New York City last May. An exhibit of renderings - water-colors and sketches - by interior designers of their famous clients' homes was

shown at New York's Far Gallery, to benefit the Cooper-Hewitt Museum's conservation fund. A \$20 per person donation included dinner; the preview netted over \$4,000 for the conservation fund.

#### 27. Needlework Show

This one-day event is a project of the University of Houston Women's Association. The show features exhibits of needlecraft such as old tapestries, lace doilies and needlepoint pillows. Booths are rented, for \$25 each, to boutique owners who sell knitted and crocheted garments; also to yarn-store owners who sell needlework supplies. (One generous local merchant pays the rental fee for several booths at which senior citizens from the community display shawls, dolls and other items they've made.) Throughout the day, there are half-hour demonstrations of the various needlecrafts "from Grandma to macrame." Admission charge for the day-long event: \$1.

#### 28. Pet Show

The First Annual Championship Cat Show, sponsored by the Bide-A-Wee Home Association of New York and a local cat fanciers' club, drew some 2,000 spectators. Over 350 cats were shown (a \$15 entry fee per cat was charged) and tickets were sold for \$2.50 (adults) and \$1.50 (children). Trophies, rosettes and ribbons were awarded to the winning cats. Over \$5,000 was raised to support the shelter's adoption program for homeless animals.

#### 29. Photo Contest

"Children Do the Darndest Things" was the theme of a photo contest held by the Nassau County March of Dimes on Long Island this past summer. Three divisions - amateur, professional and photos by children - were set up, so that judging would be fair to all who entered the contest. No entry fee was charged children or adult amateurs, but camera clubs were asked to



donate \$25 each, which covered the cost of submitting up to 25 photographs. Prizes were donated by local camera shops, and ribbons were awarded to photographers in each division.

30. Table-Setting Display

The Nebraska Retired Teachers' Association held this charming and unusual display in a Lincoln, Nebraska, hotel to raise money to put a Bicentennial cascade fountain in a neighborhood park. Local merchants and private collectors lent dishes, art objects, antiques, centerpieces, flatware and linens - all of which were coordinated by a professional store-display designer who had volunteered her services. They charged a \$2 admission fee.

31. Wedding Fashion Show

Spring and fall are the best times to hold bridal fashion shows, and local department stores and bridal salons are usually more than willing to participate. Potential ticket buyers are easy to locate through engagement announcements in newspaper society columns. In Salt Lake City, Utah, women from several organizations add a nostalgic touch to their charity bridal shows - many model gowns and veils worn by their own mothers and grandmothers.

COOKING FOR CASH

32. All You Can Eat Breakfast

Stick to one or two offerings that are easy and inexpensive to prepare, such as pancakes or fried eggs, and keep the coffee urns full. A waffle breakfast served on a recent Sunday morning during a 50-hour dance marathon (see Item No. 21), proved popular and profitable - at a \$1 per person charge.

33. Bake Sale

Coaches' wives, teachers and mothers of the boys on the Uniondale (N.Y.) High School baseball team all contributed baked goods that the boys sold to help send their team to an out-of-state

play-off series. Students at the school were happy to pay 10¢ each for cupcakes, 15¢ for brownies and 15¢ for slices of cake; faculty and staff members bought whole cakes and pies for \$2 to \$3 each.

34. Box of Recipes

Members of the Jewish Community Center in White Plains, N.Y., contributed favorite recipes for authentic Jewish dishes. The women selected about 200 of the best recipes, had them printed on index cards and sold the collection - in brightly decorated recipe file boxes - for \$5 each.

35. Chicken Noodle Supper

The minister of the First Methodist Church of Fort Dodge, Iowa, worked right alongside members of the youth group making noodles for the featured soup at this popular supper. Church members sold tickets at the door for this evening event which raised several thousand dollars.

36. Church or Temple Breakfasts

There are any number of ways to raise money in only a couple of hours on Saturday or Sunday morning. Hold church or temple breakfasts as social gatherings or as a nice adjunct to a special lecture. Charge a fixed amount or solicit donations from those who attend; and to help boost attendance, provide some supervised activities for children. A variation of this idea is the annual father-son Communion breakfast held by the Holy Name Society of Sacred Heart Church in North Merrick, N.Y.

37. Cookbooks

"A Taste of Victoria" is the title of a beautiful cookbook sold to help support the Nazareth Academy and St. Joseph's High

School in Victoria, Texas. Alumnae of the schools were asked to submit recipes; of the 900 submitted, 500 were used. Over 8,000 copies, at \$5.95 apiece, have been sold so far, netting over \$10,000, which is helping to pay for special equipment, teaching aids and projects for the two schools.

#### 38. Food Fair

Another fund-raiser conducted by women in Victoria, Texas, this one-night event features food of many nations. Local residents are asked to prepare some of their own ethnic specialties, which are then sold at the fair for 25¢ to 50¢ per helping. Additional money is raised by charging a \$1 admission fee. The fair benefits the Hear Foundation, which provides binaural hearing aids and free hearing tests for children under the age of three.

#### 39. Homemade Luncheon

When the members of the Milton Women's Club in Massachusetts learned that 40 women from nearby Worcester were planning to tour the local China Trade Museum, they offered to make lunch for the visitors. So five members of the club, working in their clubhouse, prepared a luncheon of chicken and rice in patty shells, vegetable salad and fruit-cocktail bars with ice cream. The visitors had a superb lunch for only \$2.50 apiece and the Milton Women's Club cleared \$65.

#### 40. Italian Dinner

Every year this festive dinner is held to benefit the Italian Club of Uniondale (N.Y.) High School. Ten mothers are asked to make specific dishes, and only 100 tickets (at \$4.50 apiece) are sold, so that the proper amount of food can be readily determined. The students serve the dinner and provide entertainment such as a tarantella dance or an Italian songfest. The money they raise helps pay for club trips and other cultural activities.

#### 41. Luncheons with Speakers

To raise money for the Women's Center of Monroe, Michigan, community members hold fund-raising luncheons on a regular basis. The luncheons are given at a local hotel, and at each one a speech is presented by a prominent woman in the community. Between 100 and 200 women attend each luncheon and pay \$1.50 over the cost of the meal.

#### 42. Polish Night

Every March 16th in honor of St. Joseph's Day the Ladies' Guild of Holy Cross Church of New Britain, Connecticut, sponsors a Polish Night, which is attended by over 1,500 people. It takes the women over six weeks to prepare for the dinner, and to make some 2,000 pierogi (dumplings with cheese or potato and sauerkraut fillings). Other specialties include borscht, kielbasa sausage, golombki (stuffed cabbage), babka bread and ralesniky (crêpes with strawberries and whipped cream). The tab for this feast: \$2 per person.

#### 43. Roving Dinner Party

The Fresh Meadows, N.Y., chapter of Women's American ORT has found that this idea is not only a good fund-raiser but also a great way to make friends. Here's how to organize one. Start with a group of 12 couples. Assign three people to make hors d'oeuvres, three to cook the main course, three to pay for the main course ingredients and three to prepare desserts. Then set up a round-robin dinner, with participants going to different homes for the hors d'oeuvres and for the main courses. All 12 couples then meet in a single home for dessert. Each couple pays \$20 to \$25 to participate. Everyone has a good time and a super dinner.

#### 44. Tasting Luncheon

A different theme every year. That's how members of Pi Beta Phi Sorority of Spokane, Washington, approach their annual "tasting luncheon." In the past they've selected Greek dishes and other ethnic specialties. This year, in honor of the Bicentennial, they chose native American dishes. Members of the sorority make the food themselves, and charge guests \$4.50 to attend the luncheon. As added attractions, they have an art show, boutique and sale of the recipes for the foods served that day.

#### 45. Wine Tasting Party

An hour-and-a-half of unlimited wine and cheese tasting begins this annual fund-raiser held by the Soroptimist Club of Escondido, California. Four or five vintners and several cheese companies provide the samples for guests to taste - and after the sampling is completed, there's an Italian dinner to enjoy. Held every October, this affair drew 150 people last year. Each paid \$8 to attend the tasting party and dinner.

#### TOURS AND TRIPS

#### 46. Artists' and Craftsmen's Studio Tour

Posters, photographers, painters, weavers, jewelers, sculptors and printmakers opened their studios to the public this past May for the benefit of the Huntington Township Art League in Suffolk County, N.Y. Some 600 people paid \$5 each for the two-day tour, which included talks by the artists and demonstrations of works in progress. Some of the works were also offered for sale. Several hostesses were on hand to conduct the tours and serve refreshments.

#### 47. Boat Party

"Mississippi Riverboat Party" was the official title of a recent benefit held for Cancer Care, Inc., and the National Cancer Foundation. Actually, the river wasn't the Mississippi but the Hudson, and the "Southerners" were from the New York metropolitan area. But the rented boat became a paddleboat in the eyes of all who travelled on it for four hours. A Dixieland band, a New Orleans buffet dinner and lavish decorations provided atmosphere, and the warm June evening was perfect for a slow cruise to nowhere. In addition to dining and dancing, there was an auction, a caricaturist and a gypsy fortune-teller to provide entertainment. Net proceeds for the evening: \$15,000.

#### 48. Brownstone Tour

Renovated and restored brownstone houses were toured by 850 people who went to Hoboken, N.J., last spring especially to see them. The tour, sponsored by the Hoboken Environment Committee, was held to raise money for neighborhood beautification projects and to spark interest in the community. In addition to the tour there was a slide show, photo display, a Bicentennial quilt display, book sale and refreshments. Visitors (who paid \$3 apiece) were given printed maps of the area to enable them to tour the brownstones at their own pace. The tour raised over \$2,500.

#### 49. Christmas House Tour

Five houses, all elaborately decorated for Christmas, were opened to residents of the Lincoln, Nebraska, area last year. The tour, a project of Delta Gamma Sorority, was held in early December. Different items were available for sale at each of the five homes - ornaments at one, handcrafted gifts at another, baked goods at a third and so forth. The complete house tour cost \$2.

50. Colonial Tour

Women wearing mobcaps and colorful colonial costumes conducted a tour of 18th-century houses in historic Litchfield, Connecticut, this past July. The hostesses, who were working on behalf of the Connecticut Junior Republic (a home for troubled boys), also led visitors through the local historical society building and the town library. A colonial antique needlework display was featured at this one-day event, which raised over \$10,000 for the home.

51. Decorator Show House

Decorators bid to refurnish rooms in an old house in Birmingham, Alabama, this year as part of a fund-raising event to benefit the Birmingham Symphony Orchestra. Furniture was provided both by the decorators and by local stores (signs indicated where each piece could be bought and for how much). The showhouse was open for three weeks, and visitors paid \$3.50 each for the tour.

52. Mansion in May

A 45-room Elizabethan-style manor house on 304 acres was chosen by The Woman's Association of Morristown Memorial Hospital in New Jersey as the site for this year's "Mansion in May" benefit. In addition to assigning interior designers individual rooms to decorate, the Woman's Association arranged to have the grounds of the old Giralda Farms estate refurbished and planted with a variety of spring flowers. The stables and carriage house were used for boutique sales, and visitors could buy lunch at a carriage room and tent. This massive undertaking involved some 4,000 volunteers, but the women undertook the project knowing it would raise a great deal of money. A similar "Mansion in May" run by the Association in 1974 was visited by over 30,000 people and netted \$135,000.

53. Mystery Bus Ride

Everyone loves a surprise - and that's the whole idea behind mystery bus rides. One person makes arrangements for an entire group, and tells members only what to wear or how to prepare for the evening's entertainment. Then members board a bus at a predetermined location and are whisked away to anything from a helicopter ride to scuba-diving lessons or dinner at a local restaurant. The "mystery bus ride" is an easy, ingenious way to make money. Each couple simply pays a fixed amount over the cost of the evening's activities; most groups charge between \$15 and \$25 per couple for this kind of event.

54. Walking Tour

Members of the Prospect Lefferts Gardens Neighborhood Association in Brooklyn, N.Y., sponsored a mile-long walking tour of their neighborhood to raise money for trips, beautification and the services of a community organizer. In addition to showing visitors various homes in that community, neighborhood volunteers led the walkers to an unusual site - a farmhouse in the middle of a New York City park. A flea market, plant sale and free refreshments were included in the tour, which raised about \$1,200 for the association.

EXTRAVAGANZAS

55. Annual Spring Dance

Dinner-dances are extremely popular fund-raisers for a number of organizations, and the one held each year by the Beth El Sisterhood in Fort Dodge, Iowa, is typical of many. The dance takes place at a local country club and is attended by about 300 people. A midnight buffet is served to the guests who pay \$10 per person.

56. Boxing Match Dinner

An unusual fund-raiser, this \$100-a-plate dinner was given by the National Council on Alcoholism in New York this past May. A boxing ring was set up in the middle of the ballroom of a New York City hotel and three 3-round bouts were fought by contenders for spots on the U.S. Olympic boxing team. A famous fight announcer agreed to serve as emcee, and retired boxing greats such as Joe Louis, Jack Dempsey and Rock Graziano refereed and otherwise clowned around to entertain the more than 1,000 guests.

57. Down on the Farm Dance

"Country duds" were the required dress at a gala held in New York City's famous Roseland Dance City to benefit the American Society for the Prevention of Cruelty to Animals. The farm theme was carried through from decorations to food, with picnic lunches - donated by the Mayor and other celebrities - auctioned off to the highest bidders. For entertainment, there were two bands, square dancing and a pie-eating contest as well as some performing celebrities. For those who didn't bid successfully for the donated picnic lunches there was food - supplied by a famous delicatessen - which guests could buy. Ticket prices: \$15 for singles, \$20 for couples.

58. Gourmet Cook-Off Ball

A fabulous fund-raiser is being held this October at New York's Waldorf-Astoria Hotel, for the benefit of the March of Dimes. Twenty celebrities wearing "March of Dimes" aprons will cook their hors d'oeuvre, main course or dessert specialties on stoves set up around the grand ballroom as guests look on. Meanwhile the hotel kitchen staff will be preparing the identical recipes for the 500 to 700 people expected to attend the buffet-ball; professional food experts and critics will judge the culinary offerings of the contestants, and prizes will be awarded in each category. Price per ticket: \$125.

59. Headdress Ball

This \$50-per-couple dinner dance is given annually by the Assistance League of San Bernardino, California. Each year, 10 or 12 women model elaborate 15-pound papier-mâché headdresses designed especially for the ball by local florists, designers and other creative people in the community. This year the headdresses were designed in keeping with the Bicentennial celebration. Over 500 people attended the black-tie dinner, which helps to support a dental clinic.

60. Mall Ball

Fifteen years ago, the Civiettes of Birmingham, Alabama, decided to hold their annual cocktail-dinner dance in the enclosed mall of a major shopping center. Today their \$15-per-couple fund-raiser is a tradition in Birmingham. Other unusual sites for fund-raising events around the country include beaches, subway stations and even an airplane hangar in Morristown, N.J.

61. Old-Fashioned Fourth of July Picnic

A skyscraper roof in the heart of the city can become picnic grounds if you're in the right frame of mind. That's what members of Cancer Care, Inc. and the National Cancer Foundation decided when they chose to have their Fourth of July Picnic high atop Manhattan's Battery Park building this past summer. Picnic tables and umbrellas helped create atmosphere, and chicken-in-the-basket lunches provided "good eatin'" for the 200 people who attended the fund-raiser. Net proceeds: over \$10,000.

62. Orchids and Onions Ball

A popular event held annually by a Birmingham, Alabama, architects' association, the "Orchids and Onions Ball" drew over 1,000 attendants this year. At the drinks-and-dance affair, "orchids" were awarded for architectural innovations

and improvements in the Birmingham area, and "onions" for visual eyesores such as large, unsightly building signs. A \$5 admission fee was charged and a good time was had by nearly all (including most "onion" recipients!).

#### 63. Star-Studded Evening

More than just a concert, this type of fund-raiser features performances by a wide range of entertainers - opera singers, ballet dancers, musicians, popular recording artists and the like - and is often followed by a lavish dinner dance for those who've bought the highest-priced tickets. One such fund-raiser, called "The Star-Spangled Gala," was recently held in New York City to benefit the Performing Arts Research Center of the New York Public Library. Tickets were \$10 to \$250 each, and for those who'd paid \$100 or more for their seats there was a buffet-dance held at the Lincoln Center library. A one-night affair such as this one - in almost any major U.S. city - can bring in \$100,000; sometimes much more. Similarly, TV telethons, which also feature performances by prominent entertainers, have brought in millions of dollars for a number of worthy causes.

#### ACTION FOR SALE

#### 64. Basketball Marathon

The ZBE fraternity at Adelphi University on Long Island took on all comers in a basketball marathon held for the benefit of the National Hemophilia Foundation. During the course of their dribbling and shooting endurance contest, which lasted from 4 P.M. to 3 A.M., the young men played entire games against teams from a local radio station and a Long Island newspaper, plus a group of faculty members and a team made up of Adelphi women students. In addition to charging \$1 admission, the fraternity members sold refreshments to the spectators. They raised \$300.

#### 65. Bathe-In for Dogs

Pet accessory manufacturers donated grooming equipment; the New York City Fire Department hooked up hoses to fire hydrants; and dog-grooming experts were on hand with supplies and advice. It was all part of a canine "bathe-in" held by the Bide-A-Wee Home (a New York animal shelter). To protect the grounds of Manhattan's Central Park, the sponsors spread canvas under the tubs, and dog owners cooperated by cleaning up after their pets. The fun-filled sudsy event succeeded in drawing dozens of scruffy dogs, the attention of local TV stations, and best of all, several hundred dollars in contributions.

#### 66. Bingo

Where bingo games are legal, they've proved extremely popular local fund-raisers. Typically, players pay an entrance fee (\$1 to \$3), rent lap boards and buy disposable paper game cards. About 25 games are played during a given evening; and the lucky person who has a winning card can win anywhere from \$25 to \$250. Bingo games are tightly regulated and supervised, often by government officials, to ensure that the games are being run honestly. Volunteers at the churches and temples that hold bingo games usually raise extra money by selling refreshments.

#### 67. Las Vegas Nights

In some areas, they're illegal; in others the police look the other way; and in still others games are permitted as long as they're played with scrip instead of cash. Las Vegas Nights, as the name implies, are evenings of casino-style gambling, with the proceeds going to charity. Usually the sponsoring organization takes a percentage of each pot or a fixed amount at the beginning of each hand of blackjack or poker. To raise additional money, almost all organizations charge an entrance fee (about \$5) and

sell food. A Las Vegas Night held by the Fresh Meadows chapter of Women's American ORT in New York several years ago was extremely successful. In five hours, the organization netted over \$6,000.

68. Leagues

Many groups have already organized charity athletic leagues, and more are doing so all the time. Here's how they work: The sponsoring organization pays for the use of sports facilities such as bowling alleys, and members of the various teams pay the organization a slightly higher than usual amount to play each game. The charity league concept is becoming increasingly popular among tennis players. A sponsoring organization (which can usually arrange a 20% discount) buys two consecutive hours of court time on at least four tennis courts, and organizes a doubles tournament. Players pay the organization what they'd normally spend for their share of the time, except that instead of four players being assigned to the same court every week, six players play a court on a rotating basis. The Bethpage Hemophilia Tennis League on Long Island operates this way, taking over an entire tennis complex for two hours each week. At the end of the season, trophies are awarded to the winners of the round-robin tournament. Net proceeds: \$1,500 per season.

69. Night at the Races

Like the bingo games and Las Vegas nights, the "action" for sale here is gambling. Organizations rent films of horse races, and those who watch the films bet on the outcomes. Typically, a bettor wins \$4 or \$5 on a \$2 bet if his or her horse comes in first. An admission fee covers the cost of the film rental; the organization gets the rest.

70. Powder Puff Derby

This fund-raiser is held every Leap Year in Aurora, Illinois. On that day, all the single men in town are "arrested" by police, firemen and female "deputies" cruising the streets in officially marked cars. The men are then brought before female "magistrates" who have them put in jail. In order to get out, the men must pay \$2 and also buy a \$1 dance ticket. It's all in good fun, and a number of married men always show up in "court" claiming to be single. The Powder Puff Derby benefits a free medical clinic in Aurora. This past February, over \$3,500 was raised during the event.

71. Pro-Am Tournaments

When celebrities team up with sports professionals in athletic competition, the result is usually a lot of laughs and a lot of money raised for charity. Such was the case when a number of well-known personalities, including designer Oleg Cassini, New Jersey's Governor Brendan Byrne and author George Plimpton, joined nationally ranked women platform tennis players in a mixed-doubles tournament for the benefit of the National Council on Alcoholism. Sportscaster Howard Cosell acted as both referee and chief commentator during the matches, which were viewed by some 3,000 spectators at the West Side Tennis Club in Forest Hills, N.Y. Proceeds for the one-day tournament: \$15,000.

72. Super Walk

That was the title of the walkathon conducted by the Nassau County March of Dimes on Long Island last May. Over 21,000 people gathered to walk a 20-mile route through several towns. (Even though it rained on the day of the marathon, over 11,000 people showed up and 85% of them completed the course.) Each person was asked to solicit pledges from 30 sponsors - ranging from 1¢



to \$1 or more for each mile of the route. When the figures were tallied, each walker had averaged about \$25 in pledges. Of particular interest were a five-mile "mini-walk" for young children and the simultaneous participation of inmates of the Nassau County Jail, who walked around the courtyard of the prison 237 times to equal the 20-mile distance. Fifty inmates participated in the marathon - walking while a local band played rock music on the prison grounds. The inmates raised over \$3,000. Total for the entire day: \$250,000.

#### 73. Swimathon

In order to fulfill the requirements set by the Swimming Hall of Fame in Fort Lauderdale, Florida (an organization that sponsors swimming marathons around the country), each swimmer who competes in a swimathon must complete at least 200 laps. Students at Farmingdale High School in New York recently decided to accept that challenge. Prior to the competition, each swimmer was required to obtain sponsors who agreed to pay a certain amount for each lap. When everything was tallied up, the group raised over \$4,000. While the participants were doing their laps, poolside demonstrations of life-saving techniques, canoeing and scuba-diving were given for the spectators. With the money they raised, the students bought electronic timers for their school's swimming pool.

#### 74. Tennis Tournament

To raise money for Salt Lake City's educational television station, the Friends of KUED-TV held a mixed-doubles tournament at various private tennis and country clubs in the Salt Lake City area. For \$20 each, participants were guaranteed at least three hours of playing time, had the opportunity to watch a number of exhibition matches and enjoyed a barbecued steak dinner. Last year's fund-raiser netted over \$4,500.

### THOUGHT PROVOKERS

#### 75. Backgammon Tournaments

As backgammon becomes increasingly popular in the U.S., aficionados have recognized that backgammon tournaments can be good charity money-raisers. Some 200 people attended a tournament-dinner dance for the benefit of the New Jersey Association for Children with Learning Disabilities this past May. Contestants paid entrance fees ranging from \$75 to \$125 and donated prizes were awarded to winners in each of three levels of competition. Additional money was raised through a raffle, with tickets selling for \$25 each.

#### 76. Card Parties

Bridge, canasta and gin rummy are among the most popular card games played at afternoon fund-raisers held by members of countless organizations throughout the country including those of the Ramapo Women's Club of Spring Valley, N.Y. Typically, participants pay \$5 or \$10, which includes refreshments provided by the hostess.

#### 77. Geranium Dessert "Bridge"

Pink tablecloths and potted geraniums turn the Cathedral of the Incarnation in Garden City into a festival of spring each year. The church is decorated by the Cathedral Women, who buy dozens of flowering plants expressly for their perennially-successful "dessert bridge." About 350 people pay \$2.50 each to sample butter cookies, fruitcake and candy, and to play any board or card games they choose. As added attractions there are gourmet food tables, a raffle, door prizes, and all of the geraniums are either sold or given away as table prizes. This event lasts only from 1 P.M. to 4:30 P.M., but it raises about \$1,800 for the church group each year.



#### 78. Mini-Courses

Everyone has a hobby that he or she can demonstrate or lecture about for at least a couple of hours. That's what parents of children attending the All Saints' Cooperative Nursery School in Great Neck, N.Y., decided, while trying to come up with new fund-raising ideas. So for the last two years, volunteer parents have taught "mini-courses" on gardening, sewing, photography and a number of other subjects to other parents and to members of the community. Each "course" lasts one, two, or sometimes three evenings. Tickets sell well at \$4 apiece.

#### 79. Newspaper Supplements

"People: The Pulse of Tucson" was the name of a 36-page insert distributed last year in two Tucson, Ariz., newspapers to some 20,000 families. The supplement featured profiles and photos of people in all walks of life. Local businessmen each donated either \$500 or \$1,000 to sponsor a half or whole page of the supplement, for the benefit of the Junior League. The League raised over \$15,000.

#### 80. Readatho

Schoolchildren in dozens of New Jersey communities participate in this ongoing project run by the Upper New Jersey chapter of the National Multiple Sclerosis Society. Similar to walkathons and bikeathons, in readathons contributors agree to pay a set amount for each level of achievement reached by the child they sponsor - in this case, the number of books the child reads in a given period of time. The school-approved list is distributed to the children, and parents must verify that their child has read every book he or she claims to have completed. Each child - no matter how many books he or she has read - receives a certificate suitable for framing after turning in the completed kit. The first readathon held by the organization included student participants

in 60 schools and raised over \$12,000.

#### 81. Stock-A-Rama

Sponsored by the Arizona Children's Home Association, this is a month-long fund-raiser that allows participants to play the stock market without any risk of losing real money. A \$25 donation entitles a participant to 50,000 "credits," with which to "buy" and "sell" stocks. Professional stockbrokers volunteer to take the orders and to keep track of how the participants do in their financial wheeling and dealing. At the end of the month, donated prizes are awarded to those who've "made the most money" and to the person who's "lost" the most. (The loser gets back his \$25, with the advice to stay out of the Market.) About 175 people played the game this year as 40 stockbrokers cooperated and the Children's Home received over \$4,000.

#### FOR THE KIDS

#### 82. Book Fair

There are companies that specialize in setting up book fairs in schools, and the PTA of the Gardiners Avenue School in Levittown, N.Y., works with one such organization every December. The company brings in and sets up a huge selection of children's books in all price ranges. In addition, educational toys are for sale during the three-day fair. The PTA gets 20% of the total amount taken in, and last year it raised \$200.

#### 83. Children's Art Booth

Paint, crayons, colored pencils and other favorite media of young artists are displayed at a colorful booth set up at church fairs by the All Saints' Cooperative Nursery School of Great Neck, N.Y. For 25¢, youngsters can create their own "masterpieces" using whatever art supplies they choose. When each child is finished, a volunteer parent from the Nursery

School attaches the completed work to a stick, which the child can carry as his or her own personal banner to display during the fair or to take home as a souvenir. Depending on the number of participants the art booth garners anywhere from \$60 to \$150.

84. Coloring Book

This past May, the Friends of the Ballet U.A.B. (University of Alabama in Birmingham) put out a coloring book to sell in conjunction with a presentation by the ballet company of "Cinderella." The coloring book, which was sold before the performance, illustrated this well-loved fairy tale in sketches done by local artists. Tucked in the back was a 45 r.p.m. record made by a volunteer narrating the Cinderella story. Copies of the coloring book sold very well at \$3 each.

85. Kiddie Karnival

Another successful Birmingham fund-raiser was a fair just for children. The Junior Women's Committee of 100 planned the fair for kids under 7, and held it in a suburban park. There were pony rides, games such as pin-the-tail-on-the-donkey, and such foods as peanut-butter sandwiches and ice cream were offered for sale. For parents, there was a booth at which to buy used children's clothing. No admission was charged; the fair raised over \$2,000.

86. Memorial Day Fair

After the Memorial Day parade each year, over 1,000 young people (and some older folks too) head for the Cathedral of the Incarnation in Garden City, Long Island. There they find a variety of carnival games to play, such as ball-tossing and similar games of skill (20¢ for 3 balls). For little ones, there are kiddie rides, grab bags and simple contests. The game of chance preferred by most is "Win the Autograph Hound" -

kids buy ballpoint pens for 30¢; if the one they select from the bowl happens to write with red ink, they win a stuffed dog. Hot dogs, soda and cotton candy are the most popular foods offered for sale. Clowns, magic shows and a mini-auction round out the activities at the fair, which nets almost \$5,000.

EASY MONEY-MAKERS

87. Artists' and Craftsmen's Booths

Charge a flat fee (\$15 to \$25) for each day local artists and craftsmen exhibit and sell their creations (or let them pay for the booths with a percentage of their sales). Renting space to creative people in the community is a favorite fund-raiser of Manhattan block associations who hold street fairs and block parties.

88. Book Sales

In conjunction with a Brownstone Tour (see Item No. 48), the Hoboken, N.J., Environment Committee set up a stand at which books on house remodeling, home repairs, urban living and related subjects were offered for sale. Books were bought at a discount from a dealer who agreed to take back any that weren't sold. (The sale netted over \$50.) This idea is a natural for any fund-raising project with a specific theme.

89. Buttons and Bumper Stickers

Bought through wholesale dealers for a few cents apiece and sold for 25¢ or 50¢ each, buttons are among the most profitable items sold by many organizations. Bumper stickers may cost a bit more, but often sell well at \$1 each. T-shirts are another good idea. Buy them for \$2 each and sell them for \$5 or more.

90. Car Washes

All it takes is a few buckets, sponges, some mild detergent, soft towels, water and lots of elbow grease to turn a few spare hours into extra cash. A favorite fund-raiser of student organizations and church youth groups, car washes at \$1 or \$1.50 each can raise several hundred dollars - if there are enough willing workers, a lot of advance publicity and ample parking space for those waiting their turn.

91. Consumer Testing

Some manufacturing firms or market research companies will pay money to organizations who guarantee a certain number of participants in a day-long product evaluation session. Members of the Gardiners Avenue School PTA of Levittown, N.Y., made arrangements with one such firm. The PTA agreed to provide 40 testers, for the day; in return they were promised \$125. Try contacting the Public Relations Department of local companies to see if they'll make similar arrangements.

92. Door-To-Door Sales

Magazines, candy, greeting cards, light bulbs and seeds are among the most popular items sold by youngsters as well as grown-ups to raise money for their schools or organizations. One group of students in Austin, Texas, even sold tamales for \$1.25 a dozen. Contact the fund-raising departments of manufacturers and distributors and ask if they'll package their products especially for your group. How much can you make? On the average 40% to 50% profit - less on items that sell for more than a few dollars.

93. Feather Sale

Adjustable paper headbands with a single multicolored feather attached are distributed to children at a major shopping mall several times a year in return for a donation to the Nassau County March of Dimes. On a good day the organization can take in \$1,000 or more. Another good item to offer in shopping centers or at carnivals is printed balloons. Charge a nominal amount (10¢ or 25¢ each) or ask for a donation.

94. Games of Skill

Practically everyone likes to try his or her hand at ring tossing, knocking down bottles, breaking plates or throwing balls into a brightly painted bushel basket. Charge 25¢ for three tries and have plenty of toys, stuffed animals and other prizes (bought from a wholesaler) to give to winners.

95. Journals

Sell sponsorships and advertisements in printed journals and programs distributed at concerts, dinner dances or other fund-raising galas. The Nassau County March of Dimes published a journal at its annual dinner dance last year, with prices charged for ads, as follows: Those printed on parchment pages, \$1,500 each; gold pages, \$1,000 each; silver, \$600; full-page ads on regular white paper, \$350; half-page ads, \$250; quarter pages, \$150 each; one-eighth pages, \$50 each. The journal brought in about \$180,000 for the March of Dimes.

96. Plant Sales

With houseplants as popular as they are, plant sales are sure fund-raising winners. On the first Wednesday and Thursday in May (right before Mother's Day) the Brooklyn Botanical Gardens in New York City holds its annual plant sale. Some of the plants are grown at the garden; most are bought from nurseries. All types of houseplants are sold, from philodendrons at 75¢ each to Bonsai plants for \$200 and up. In addition there's a children's

table where for 25¢ a child can buy a flowering annual to give Mom on her day. Donated refreshments are sold at the sale, which brings in several thousand dollars each year.

#### 97. Raffles

If the items to be raffled have been donated by local merchants or individuals, the only expense involved is the price of printing the tickets. That's why raffles are such a popular part of many charity fund-raisers, and successful even when held alone. As a rule, the more items you raffle off the higher the price you can charge for the tickets. Always offer a discount for volume purchases, such as one ticket for 25¢ or five for \$1.

#### 98. Refreshment Stands

On a hot summer day, nothing will sell faster than cold beverages. As always, try to get donations from local merchants or, failing that, arrange a discount. Another good idea is to borrow an orange or grape drink "spray-cooler" machine from a fast-food chain and purchase juice concentrates (like they do). There's a hefty profit margin for drinks sold this way. Other big sellers include coffee and cake, cold sandwiches, and - if you can manage it - hot dogs and pizza.

#### 99. Slave for a Day

Baby-sitting, lawn-mowing, garage or basement-cleaning and similar chores are all performed by members of the First Methodist Youth of Fort Dodge, Iowa. People phone the church and arrange for specific jobs to be done in return for a donation. About 50 boys and girls participate in this project, which is as popular with local residents as it is successful for the church's youth group members.

#### 100. Your Weight in Pennies

Like the 50/50 raffle, this extra fund-raiser can be set up at virtually any type of event. Guests are asked to donate a penny

for each pound they weigh (or sometimes, each year of their ages). To make a contest, invite donors to guess how much will be raised by the end of the raffle, and award prizes (or a percentage of the total) to the people whose guesses come the closest to the actual amount. Or have participants guess the weight of each donor! Along the same lines are games such as "Guess the Number of Pennies" (or beans). Put them in a glass jar, charge 10¢ or 25¢ for each written estimate and give prizes to the three (or five, or ten) people who come closest to the correct number.

#### 101. 50/50 Raffle

This idea is simple. Participants sign their names on dollar bills and drop them into a large container. At the end of the afternoon or evening, someone pulls out one of the bills. The person whose name is on that bill wins half of whatever money has been collected, the organization the other half. A 50/50 raffle is easy to set up at almost any kind of fund-raising event - and it's fun.

#### FUND-RAISING TIPS

##### What Type of Event?

Consider the types of fund-raising activities that are popular in your community and try to come up with a fresh approach to several of them. However, if one particular organization is already well known for having a big annual bazaar or carnival, your group may be wise to come up with a completely different idea.

If you're planning a large event, remember that people are there to be entertained - and to spend money. Give them as many opportunities as possible to do both.

Choose a theme and carry it through. People always respond better if they can identify an event with a particular theme - especially if it's one that implies having fun..

### Choosing a Date

Check dates with your local Chamber of Commerce and with other organizations in your community to make sure that your group won't be competing with another for attendance.

Don't schedule an event for holiday weekends, unless that event is specifically tied to that weekend - a Memorial Day Festival, for example. Otherwise attendance at your fund-raiser may suffer.

Many organizations seem to prefer the weekend immediately following a major holiday (for example, the first Saturday after Labor Day) or before a holiday (the Sunday before Mother's Day) to hold annual fund-raisers. Keep dates like these in mind when you begin to plan your events.

Always plan an alternate rain date for any outdoor fund-raiser, or if possible, have an indoor facility available.

### Organization

Whatever you plan, get people involved. No fund-raising venture can succeed without the cooperation of organization members and, in many cases, of the community at large. The more people the better.

Set up committees to handle each function - food, entertainment, decorations, publicity, donations, cleanup, or whatever.

Establish a working calendar and stick as closely to it as possible. That way you'll have time enough to cope with those last-minute problems that invariably pop up.

### Insurance and Permits

Be sure to notify your Town Council or local governing board as soon as you plan any fund-raising event. They'll be able to advise you on what permits (if any) you require. Also many communities have very strict laws about gambling, or the sale of

alcoholic beverages. It's far better to find out what's needed, or prohibited, before you start.

Let the local police, fire and sanitation departments know about your fund-raiser. In certain cases, police can be assigned to direct traffic, or sanitation people may be able to clean the area before and after your event.

Many national organizations carry liability protection, which will cover any fund-raising event held to benefit that organization. If your volunteer group is raising money to contribute to one of these organizations, find out if their policy will cover your fund-raising event. If not, be sure to take out protection for the duration of the event so your group will be covered in case of accidents or property damage.

### Getting Donations

Remember, the first - and most obvious - rule of fund-raising, the fewer your expenses, the more money you will make. So try to keep all expenses at a minimum. Get everything you can for free.

Ask absolutely everyone you know for donations of old clothes, used furniture, books and household items if you're planning a flea market or bazaar.

Go to every neighborhood merchant to solicit door prizes, items to be raffled or auctioned, or anything else you need, such as food, decoration and equipment.

When approaching merchants for donations, remember it's all in how you ask. Be positive. Don't ask if they'd like to make a donation. Rather, ask "What can we expect from you?" Or, if you already know what you want, ask for it specifically.

As an added incentive to local merchants, offer them public recognition for their generosity, and prove to them that they'll get it. You might bring last year's program listing the various contributors and show it to each person you're asking for help.

Tell him or her "We want to let everyone know who's been responsible for providing such valuable assistance to the community!"

#### Publicity - There's No Such Thing As Too Much

Send notices of your upcoming event to local newspapers, radio and TV stations about 10 days before the event is scheduled. Notify the Women's Page editor, the Community Bulletin Board Department and also the Features Editor. Also, if you have enough money to pay for it and you think it's worthwhile, consider paying for advertising space in local newspapers.

If possible, have leaflets mimeographed. Put them under doors, on car windshields and next to mail boxes, and hand them out in shopping centers one or two days before your event.

Have a talented member of your group make up posters, and ask store owners to put them in their windows about eight days before the event.

#### Keep It Pretty

Make everything you're selling or displaying as attractive as possible. Plants in pretty containers will sell better than those in plain pots. Likewise, food packages wrapped in pastel cellophane and tied with yarn or ribbon are more appealing than those covered with wax paper and secured with rubber bands.

The same principle applies to displays. Keep booths clean and neat and exhibit merchandise in a nice, orderly arrangement.

Have members of your organization wear costumes, particularly if you're running a large fund-raising event. Costumes make organization members easy to spot, so that visitors can find them when they need information, directions or assistance. The costumes needn't be expensive - straw hats or even a ribbon draped from the shoulder to the waist will work well.

#### Money Tips

If you're planning a large event it's probably a good idea to open a bank account as soon as you schedule the fund-raiser.

Be sure to keep records of every penny spent and every penny taken in. A treasurer should be appointed to oversee all financial transactions and to report to members of the group at predetermined intervals.

Offer advance-sale ticket discounts to give your group more cash to work with.

Student discounts, senior citizens' discounts, and family or weekend tickets for a two- or three-day event will not only generate good will in your community but may help to boost attendance.

It's sometimes a better idea to ask for donations than to charge a fixed amount for, say, a car wash or other low-cost service. According to some experienced fund-raisers, people tend to give more when they're simply asked for a contribution.

Have one person, and one person only, in charge of each cash box at a large fund-raiser.

Always let people know exactly what amounts are charged for everything that's offered. Have large signs posted at booths and stands, and legible price tags attached to any items being sold at bazaars and flea markets.

Whenever possible, and particularly at small-scale fund-raisers, try to throw in a couple of extras, and be sure to let people know about them ahead of time. For example, if you're charging \$2 or \$3 for a film showing, offer free coffee and cake. People won't mind paying inflated prices for a lecture or house tour, for example, if they're getting something "extra" for their donation.

C. WORKPLACE SOLICITATION

FUNDRAISING AT THE WORKPLACE\*

Contributions from individuals to charities are more than ten times greater than those made by foundations and businesses combined. Nonprofit organizations solicit funds from individuals through direct mail, door-to-door canvassing and other grassroots fundraising activities. However, a far more efficient method of obtaining funds from the public is asking for donations from individuals at their workplaces. This method of fundraising involves securing an employer's permission to seek contributions at the office of plant and usually also involves the employer agreeing to deduct charitable donations from employees' paychecks and forward such contributions to the designated charity.

Until recently, United Ways and their predecessors had a virtual monopoly on workplace fundraising. However, beginning in the late 1960's, that monopoly was challenged by black and other minority organizations, traditional private health agencies and others. Some of these organizations wanted United Way to admit more new member organizations. Others sought to compete with United Way as alternative fundraising campaigns to which employees may contribute.

Some major corporations, the federal government, and some state and local governments have opened up their fundraising drives so that employees are permitted to give to many different tax-exempt charities. In some cases, public agencies and private businesses have allowed alternative fundraising federations to compete with United Ways in soliciting money from employees.

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\* Much of this material is adapted with permission from National Committee for Responsive Philanthropy, Fundraising at the Workplace: The New Options for Nonprofit Groups Not Members of United Ways, May 1979.



In addition to participating in workplace solicitation practiced by United Ways and other fundraising drives, many corporations match employee contributions to educational and cultural institutions. A few corporations provide matching gifts to virtually any nonprofit organization eligible to receive tax-deductible gifts.

Following are descriptions of the various types of workplace solicitation and workplace giving programs, along with information on whom community-based organizations should contact to get involved in the various programs.

#### THE COMBINED FEDERAL CAMPAIGN

The federal government's charity drive, the Combined Federal Campaign, is administered by the Director of the Office of Personnel Management, but is coordinated in over 500 locations by the heads of the largest federal agencies in each location. Almost \$93 million was collected from federal employees in 1981.

Organizations wishing to be included in their local Combined Federal Campaign must apply to a local committee made up of federal employees. The local committees decide which charities will be admitted to the drive. For information about the local committee in your area, contact the regional office coordinating CFC activity in your state.

#### Regional Contact Persons for CFC

##### Western Region

Arizona Hawaii	(San Francisco, CA)
California Nevada	(415) 556-8942

##### Mid-Continent Region

Iowa Missouri	J. Fred Northrup
Kansas Nebraska	(St. Louis, MO)
	(314) 425-5866

##### Southwest Region

New Mexico Texas	Paul Leslie (Dallas, TX)
Arkansas Louisiana	(214) 767-4514
Oklahoma	

##### Mid-Atlantic Region

Maryland Pennsylvania	Ms. Carla J. Walters
Virginia West Virginia	(Philadelphia, Pa.)
Delaware	(215) 597-7402

##### Rocky Mountain Region

Colorado North Dakota	Charles Dooly (Denver, CO)
Wyoming Montana	(303) 234-4048
South Dakota Utah	

##### Northwest Region

Alaska Idaho	Ed Doherty (Seattle, WA)
Washington Oregon	(206) 442-1719

##### New England Region

Conn. New Hampshire	Walter George (Boston, MA)
Maine Rhode Island	(617) 223-6835
Mass. Vermont	

##### Great Lakes Region

Illinois Minnesota	Thomas C. Wysoglad
Wisconsin Michigan	(Chicago, IL)
Ohio Indiana	(312) 353-2922

##### Eastern Region

New Jersey Puerto Rico	Arthur Cheesman (NYC)
New York Virgin Island	(212) 264-0442



Southeast Region

Alabama	So. Carolina
Kentucky	No. Carolina
Mississippi	Florida
Georgia	Tennessee

Kent Bailey, Office of Personnel  
Management, Washington, D.C.  
(202) 632-5544

Carl Beeler  
(Atlanta, GA)  
(404) 221-3460

UNITED WAY

United Way has chapters in over two thousand communities. Local United Ways raise funds through payroll deductions at workplaces as well as through foundation and corporation contributions. Over one billion dollars is raised annually.

Most of the funds raised go to support United Way member agencies. The specific eligibility requirements and procedures for attaining member agency status vary from city to city.

The list of two thousand local chapters is too long to include in this document, but you can find out how to get in touch with your local chapter by contacting:

United Way of America  
801 N. Fairfax Street  
Alexandria, Virginia 22314  
Phone: (703) 836-7100

United Way Donor Option Programs

The Donor Option Program of United Way is a method by which donors may designate their contributions to agencies of their choice, whether or not the agencies are members of United Way. The program is widely used by United Ways throughout the country; 39% of a sample of larger United Ways indicate they have some kind of donor option policy of practice.

Eligibility requirements usually include that recipient agencies be designated tax-exempt by the IRS and be addressing human service needs. In some areas, certain types of organizations (such as strictly cultural or religious) are specifically excluded from participation in United Way's Donor Option Program.

United Way Grants to Nonmember Agencies

Some United Ways set aside a portion of their funds for grants to organizations which are not United Way members. Thus

even if your organization is not a member of United Way, you might be able to get some financial support from them. Unfortunately, no national listing of such special grant programs is available. Contact your local United Way chapter to see if they have one.

#### Partnership Arrangements with United Way

Occasionally, a local United Way will admit another fundraising federation (such as Black United Fund) as a partner in its fundraising drive. The alternative federation will have its agencies listed on the contributions pledge card along with United Way member agencies. This arrangement means much higher collections for the alternative campaign than it would get by going it alone.

#### STATE AND LOCAL GOVERNMENT EMPLOYEE CONTRIBUTION PLANS

The California Administrative Code provides for state employees to designate contributions to any charitable organization which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. A single private organization, usually United Way, conducts the combined fund drive in each major location around the state. The coordinating organization must transmit funds collected through payroll deductions to those agencies designated by employees.

In Iowa, a law permits state employees to contribute to any tax-deductible charitable organization, providing that solicitation for the organization has been requested by one hundred or more state employees.

Several local governments, including the Cities of St. Louis and Hartford, have permitted non-United Way fundraising federations the privilege of employee payroll deductions.

To find out whether your state or local government has an employee contributions plan, or whether others in your area have been organizing to advocate for the creation of such a plan, contact the National Committee for Responsive Philanthropy (see page 174).

#### BUSINESS EMPLOYEE CONTRIBUTIONS PLANS

TRW Defense and Space Systems Group in Redondo Beach, California has an employee contributions program which permits designations to any charitable organization which is tax-exempt under IRS code 501(c)(3). Crocker National Bank, which has branches throughout California, has a similar open designation system.

While only a few major businesses permit such a wide variety of employee contributions options, many more allow at least one charity other than United Way to solicit at the workplace.

To explore what large employers have such contributions plans in your community, first contact the Chamber of Commerce to learn who the largest employers are, and then contact the community relations departments of those corporations.

#### CORPORATE MATCHING GIFTS

Corporations have traditionally provided matching gifts for employee donations to colleges, universities and secondary schools. In recent years, corporations have begun to match employee gifts to the arts and to hospitals. There are also corporate matching programs wherein individual employees' contributions of time and money to a wide variety of nonprofit organizations are matched by corporate dollars. The Reliable Life Insurance Co., headquartered in Webster Groves, Missouri, has one of the most open programs. These matching programs do not involve workplace solicitation or payroll deductions. The employee writes a check to the designated organization and provides the company with the organization's address.

#### ALTERNATIVE FUNDRAISING FEDERATIONS

Combined Health Agencies Drives (CHADs) are federations assembled by local chapters of national health associations, such as the American Cancer Society. In Baltimore, one thousand businesses allowed the Combined Health Agencies Drive to solicit their employees

before the CHAD joined United Way in a joint campaign arrangement in 1975. To find out if there is a CHAD in your area, contact the National Committee for Responsive Philanthropy (see page 174).

The National Black United Fund, based in Los Angeles, has been organizing local chapters since the early 1970s. In 1980 there were eleven chapters which raised \$1.6. million at fifty-five businesses and through the Combined Federal Campaign. Recently, IBM Corporation in New York and Bell Telephone Laboratories in New Jersey agreed to let their employees participate in payroll deduction plans for the BUF. The national office of the BUF may be contacted at this address:

National Black United Fund  
Walter Bremond  
356 Convent Avenue  
New York, New York 10031  
(212) 234-1264

A list of the local BUF affiliates follows:

Local Affiliates

Atlanta Black United Fund, Inc.  
Charles Fulwood, Acting Director  
52 Fairlie Street, N. W.  
Mezzanine Suite  
Atlanta, Georgia 30303  
(404) 525-8052

Bay Area Black United Fund, Inc.  
Steve V. Brooks, President  
1440 Broadway, Suite #402  
Oakland, California 94612  
(415) 763-7270

Boston Black United Fund, Inc.  
Father Ed Rodman, Chairman of the Board  
1 Joy Street  
Boston, Massachusetts 02108  
(617) 742-4720

Brotherhood Crusade Black United Fund, Inc.  
Danny Bakewell, Sr., President  
7811-7813 South Central Avenue  
Los Angeles, California 90001  
(213) 588-5154

Canton Black United Fund, Inc.  
William Dent, Executive Director  
1492 Cherry Avenue  
Canton, Ohio 47707  
(216) 455-6385

Chicago Black United Fund, Inc.  
Dr. Charles Spivey, President  
5627 So. Michigan Avenue  
Chicago, Illinois 60636  
(312) 667-5881

Detroit Black United Fund, Inc.  
Brenda Rayford, Executive Director  
2187 W. Grand Boulevard  
Detroit, Michigan 48202  
(313) 894-2200

Houston Black United Fund, Inc.  
Mildred Ball Bright, President  
4375 North MacGregor  
Houston, Texas 77004  
(713) 741-8347

New Jersey Black United Fund, Inc.  
Kirk David, Executive Director  
24 Commerce Street  
Newark, New Jersey 07102  
(201) 623-8964

New York City Black United Fund, Inc.  
Kermit Eady, Executive Director  
356 Convent Avenue  
New York, New York 10031  
(212) 223-0866

United Black Community Fund, Inc.  
Clifford Wilson, President  
2633 Marcus Street  
St. Louis, Missouri 63113  
(314) 531-3045

United Arts Funds are organized in much the same way as United Way campaigns are. In 1977, fund drives in twenty-three states raised over \$18 million for orchestras, theaters and other cultural organizations. UAFs receive contributions from employees at workplaces, some through payroll deductions. To find out if there is a UAF in your area, contact the National Committee for Responsive Philanthropy (see page 174).

Independent Alternative Fundraising Federations have been established in a few localities. Examples include The Human Endeavor, a federation of forty-three women's, minority, public interest and community organizations in South Carolina which now obtains donations by payroll deduction from state employees. Cooperating Fund Drive, an alternative fund for twenty-one neighborhood, consumer and community-based social service organizations, solicits contributions from city and county employees in the Minneapolis-St. Paul area.

These alternative fundraising federations have been set up because often the more established campaigns have failed to include newer organizations and those which might be deemed controversial or threatening to established interests. They offer perhaps the greatest promise for "opening up the workplace" as a source of funding for groups with a serious interest in social change. The National Committee for Responsive Philanthropy (see page 174) can provide information and assistance if you are considering trying to set up such an alternative fundraising federation. A partial list of existing ones follows.

#### ALTERNATIVE FUNDS

A Choice  
1441 N. 24th Street  
Milwaukee, Wisconsin 53205  
Nancy Miller (414) 342-5834

Aid to Wisconsin Organizations  
520 University Avenue  
Madison, Wisconsin 53703  
Kathy Hoffman (608) 251-4008

Bread and Roses Community Fund  
1425 Walnut Street  
Philadelphia, Pennsylvania 19102  
Ann Doley (215) 563-0638

Cooperating Fund Drive  
Liberty Bank Building, Room 215  
Snelling and Selby  
St. Paul, Minnesota 55104  
Steve Paprocki (612) 647-0440

King County Community Health Centers Fund  
905 Spruce Street  
Room 201  
Seattle, Washington 98104  
David Bibus (206) 625-0381

Madison Sustaining Fund  
2259 E. Washington, #C  
Madison, Wisconsin 53714  
Peter Caulkins (608) 241-1649

The Human Endeavor  
P.O. Box 2223  
Columbia, South Carolina 29202  
Frank Blechman (803) 794-3328

Women's Funding Coalition  
680 Lexington Avenue  
New York, New York 10022  
Judy Austermler (212) 688-4160

Women's Way  
1501 Cherry Street  
Philadelphia, Pennsylvania 19102  
Lynda Yeakel (215) 988-0227

A SPECIAL RESOURCE: NATIONAL COMMITTEE  
FOR RESPONSIVE PHILANTHROPY

The National Committee for Responsive Philanthropy is a coalition of organizations concerned about the limited amount of philanthropic money that goes to "non-traditional" recipients. These include organizations which serve or advocate for those who lack social and political power, such as the poor, minorities, women, and children.

The Committee believes that philanthropy must become more accessible to all potential grant recipients and more accountable to the general public. Toward this goal, they monitor philanthropy's priorities and decisionmaking processes and advocate, on both the national and local levels, for changes which "open up" philanthropy.

They have organized a number of local coalitions that are working to change charitable giving in their communities by studying the patterns of local philanthropy, evaluating how well critical social needs are being met by funders, and advocating for more equitable and open philanthropy.

The National Committee for Responsive Philanthropy also provides assistance to organizations throughout the country which are interested in forming alternative fundraising federations. In addition, they keep track of what fundraising federations exist in the various localities.

To use this valuable resource, contact:

The National Committee for Responsive Philanthropy  
810 18th Street, N. W., Suite 408  
Washington, D. C. 20006  
Phone: (202) 347-5340

A list of the local chapters follows.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY  
LOCAL INVOLVEMENT CAMPAIGN CONTACTS

Groups involved in the reform of philanthropic institutions and payroll deduction systems.

Arizona

Arizona Committee for  
Responsive Philanthropy  
327 S. 4th Avenue #3  
Tucson, Arizona 85701  
Jeff Baker (602) 624-9831

California

Sacramento Committee for  
Responsive Philanthropy  
926 Jay Street, #1000  
Sacramento, California 95814  
Art Naldoza (906) 448-3814

Bay Area Committee for  
Responsive Philanthropy  
330 Ellis Street, #500  
San Francisco, California 94102  
Herb Allen (415) 771-8375

Funding Feminists  
17 Porter Street  
San Francisco, California 94110  
Esta Soler (415) 824-8564

San Diego Coalition for Responsive  
Philanthropy  
2026 Catalina Boulevard  
San Diego, California 92107  
Danielle Homant (714) 224-5466

South Coast Coordinating Council  
800 Santa Barbara Street  
Santa Barbara, California 93101  
William Cirone (805) 963-8654

Sequoia Community Health Foundation  
1350 South Orange Street  
Fresno, California 93702  
Elizar Risco (209) 237-6193

Colorado

Colorado Committee for  
Responsive Philanthropy  
1572 Race Street  
Denver, Colorado 80206  
Mary Pellettier (303) 832-3133

Georgia

Atlanta Committee for Responsive  
Philanthropy  
75 Marietta Street, N.W., 3rd Floor  
Atlanta, Georgia 30303  
Steve Suitts (404) 522-8764

Illinois

Coalition for Access to the  
United Way  
327 S. LaSalle Street, Suite 1036  
Chicago, Illinois 60604  
Bob Thrasher (312) 341-0791

United Way and Hispanic Communities  
1521 West 18th Street  
Chicago, Illinois 60608  
Daniel Solis (312) 666-2663

Massachusetts

Boston Committee for Responsive  
Philanthropy  
483 Massachusetts Avenue  
Boston, Massachusetts 02119  
Christopher Thompson (617) 427-4684  
442-6311

New Mexico

New Mexico People and Energy  
Box 4726  
Albuquerque, New Mexico 87196  
Tom Barry (505) 266-5009

North Carolina

North Carolina Committee for  
Responsive Philanthropy  
Route 1, Box 47  
Garysburg, North Carolina 27831  
Morris Shearin (919) 537-6882

Oregon

Portland Committee for  
Responsive Philanthropy  
519 S. W. Third, Room 515  
Portland, Oregon 97204  
Scott Bailey (503) 222-4479

Pennsylvania

Coalition for Responsible Funding  
1425 Walnut Street  
Philadelphia, Pennsylvania 19102  
Nan Steketee (215) 563-0638

Pittsburgh Committee for  
Responsive Philanthropy  
125 N. Craig Street  
Pittsburgh, Pennsylvania 15213  
Barry Maciak (412) 621-6209

Wisconsin

Milwaukee Committee for  
Responsive Philanthropy  
3517 W. Burleigh Street  
Milwaukee, Wisconsin 53210  
Ramon Wagner (414) 873-1521

**CONTINUED**

**2 OF 3**

D. DIRECT MAIL

GETTING THE MOST THROUGH THE POST:

DIRECT MAIL\*

Everyone from Save the Maple Tree Association to Help the Homeless Elephants Fund does it. The letters that fill your mailbox asking for money are direct mail appeals. Used widely by national nonprofit organizations and some statewide groups, direct mail is an expensive proposition for smaller citizen groups.

Using this approach, mass mailings are sent to "prospects" - people who have never contributed to the organization. The return on these "prospect mailings" is low - between one and three percent. Once a "prospect" returns a donation, (s)he is placed on the "house list." Mailings to "house lists," which include those who have made contributions in the past, bring in a higher return - between 10 - 20 percent. A direct mail appeal is not a one-time only event. The goal is to develop a list of contributors and concentrate on those people for subsequent mailings.

For most small- and medium-sized citizen groups, direct mail is an expensive way to attract contributors. If, for example, a group would like to add 1,000 contributors to its "house list," the initial mailing would have to be sent to approximately 100,000 people. Locally-based groups will probably have a difficult time compiling such a large "prospect list," let alone affording the postage.

However, there are some variations on the direct mail theme. One public television station that was producing a program on a rare bird species, for example, sent an appeal to members of bird-watchers' clubs. The mailing focused on a specific event and was sent to a limited group whose interest obviously matched the program. This strategy seems to work well if the prospect

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\*Reprinted with permission from The Rich Get Richer and The Poor Write Proposals by Nancy Mitiguy. Amherst, Mass: University of Massachusetts (Citizen Involvement Training Project), 1978.

list is carefully selected and if the organization is well-established.

Another approach is to prepare an appeal for those who are on the organization's mailing list. Groups that publish newsletters or sell publications have used this technique often, since people on the mailing list (1) already know about the organization and (2) have purchased materials by mail. Small citizen groups will probably find this approach to be the most cost effective. But, like other direct mail appeals, this requires careful maintenance of mailing lists.

Direct mail is an involved process, so readers are encouraged to consult the Bibliography section for more indepth analyses of how to prepare a direct mail appeal.



LOOKING AT INCOME-GENERATING BUSINESSES  
FOR SMALL NONPROFIT ORGANIZATIONS \*

by

WILLIAM A. DUNCAN

Mountain Association for Community Economic Development  
310 Center Street  
Berea, Kentucky 40403  
March 22, 1982

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of the author.

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LOOKING FOR AN OPPORTUNITY

1. What is your purpose?
2. What are your strengths, as an organization and as individual staff members?
3. How can these strengths be turned into revenue-producing activities?
4. Is there a source of assistance in carrying the project further?
5. Are there any examples?
6. Do preliminary research
7. What must be done to safeguard your tax exemption?
8. Who's going to run the business?
9. Is it doable and is it worth it?
10. If it is worth it, do detailed planning
11. Financing

A FEW EXAMPLES

Using Volunteers  
Repackaging Your Skills for Another Market  
Consulting to Corporations or Politicians  
Housing Rehabilitation  
Oil Companies  
Insurance  
Real Estate

FURTHER REFERENCE

- I. General Business Information
- II. Business Planning
- III. Technical Assistance
- IV. Business Finance
- V. Tax Issues
- VI. Reports on Models
- VII. Thrift Stores

The Mountain Association for Community Economic Development (MACED) was formed in 1976 to provide economic development assistance to community organizations in the Appalachian counties of Kentucky, Virginia, Tennessee, and West Virginia. Work includes building local development organizations; assembling housing and commercial real estate projects; increasing the supply of mortgage and commercial credit; and through The Cumberland Fund, providing assistance and financing to start locally owned businesses.

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## INTRODUCTION

Many nonprofits are considering some form of income generating enterprise to replace shrinking support from traditional funding sources. Starting a business is a high risk undertaking, however, and few community based nonprofits have done it successfully. An organization might well find itself sinking considerable staff time into the effort and raising the expectations of its board, constituencies, and funding sources before realizing that a venture is unlikely to make money. That would compound survival problems rather than solve them. This paper provides enough substantive information to guide a nonprofit in the initial steps of deciding whether to start a business.

The discussion is geared particularly to relatively small, community based organizations. Budget size is not as important a factor in determining an organization's business options as whether it has capital assets such as buildings, land, or investment funds. The question of how to put those assets to use is different from the task of generating income when you have no capital base. Groups without assets must deal with similar issues whether they have budgets of \$20,000 or \$2,000,000 per year, and whether they are advocacy, service delivery, development, or research organizations. Those issues are the subject of this paper.

A distinction also should be made between starting a business as part of an economic development program and starting one to generate income for a nonprofit organization. The purpose of an economic development program is to create jobs, build housing, or cause some basic change in the economy of a place. Ideally an organization could eventually earn substantial income from an effective economic development program. However, that requires a range of specialized staff skills and is even more difficult than starting a business with the singleminded purpose of bringing

in money. This paper assumes, therefore, that an organization's primary purpose for considering a business enterprise is to earn income to support its program rather than to foster economic development.

The first section is a cautionary outline of issues a nonprofit should consider before starting a business. The second proposes an eleven step process for seeking business opportunities. The final section discusses several examples of business activities a nonprofit organization might consider.

## ISSUES TO CONSIDER BEFORE STARTING

Taking risks is a part of doing business, as well as of operating a small nonprofit. But the chances of making either kind of organization work are better if you understand the potential hazards and do what you can to reduce or plan ahead for them. The risks discussed below are those of primary concern to a community based organization starting a business.

### Economic Uncertainty

The lack of public funding for nonprofit activities reflects, in addition to a federal retreat from social programs, a basically unhealthy and confusing economy. Large corporations, with easier access to credit than small businesses, are holding off making their capital spending plans for the next year. Small businesses which have the choice are postponing new undertakings. The failure rate for new business is high in the best of times, but over the last two years bankruptcy rates for small enterprises have soared. The combination of high interest rates and almost total uncertainty about short- and long-term economic trends makes this about as high-risk a time to enter business as any in the last generation.

### Multiple Agendas

People who have worked with nonprofits starting businesses will tell you emphatically that having too many goals for a business is the biggest obstacle to making it work. For instance, many groups will want to insure that the enterprise has a democratic ownership structure. Others will want to provide jobs for low income people. Still others will want to stimulate the use of renewable energy sources or recycled products. Many will want to start businesses which foster social equity and cause other kinds of change.

Since these ideals are what get the staff up in the morning, they will often be unwilling or unable to leave them behind in order to make money in the business.

Business owners are usually singleminded. They are pursuing immediate earnings, long-term growth, or some other integral business objective. The nonprofit will be in competition with traditional businesses and will face most of the same risks and problems. If it adds additional constraints in the form of attempting to achieve social goals through the business it will earn less money, or, more likely, it will fail. If, for instance, it costs you more to train unskilled people, then you'll earn less. If you take extra steps to avoid polluting or if you decline to serve a segment of the population for political reasons, you will probably reduce profits. That may not always be the case. Your constituency and the knowledge you've gained about your program area may often be your biggest asset in starting a business. A profitable business might be found in providing your constituency a service like supplying insurance, home heating oil, or storm windows. In some parts of the country, you may be able to produce solar collectors profitably. However, the intention to achieve multiple agendas through doing business will usually make survival, never mind profits, unlikely.

#### Realistic Expectations

After all is said and done, how much support can your organization expect from a business? That depends on whether you plan to live off the surplus cash generated by a freestanding business or to generate income directly from staff activities.

First, consider the freestanding business - a venture entirely separate from the current program and staff. Assume that everything goes well and in three years the business is earning an after tax profit of 5% of sales. That would mean that if sales are \$2 million,

net profit would be \$100,000 after taxes. While \$2 million is small as businesses go, some checking on the sales and profits of local businesses will confirm that a venture of that size is a big project. A well run supermarket would need \$5 million in sales and over \$500,000 in start-up money to make \$100,000 a year after taxes. A kitchen cabinet company, a detective agency, bakery, or computer programming firm might need sales of \$1.6 million to make that much profit. A hardware store, housing contractor, or boat manufacturer would need \$2 million in sales. And a gas station, auto dealer, book publisher, or restaurant would typically have to generate \$3.3 million in sales to net \$100,000 in profit. In all these cases, it will take years - if you can ever do it - to build up to these sales volumes and learn to manage the business well enough to generate \$100,000 per year in profits. Generating only half that amount each year would be almost as hard.

Even when a business does begin making profits, there will be many demands on that money and not much to go around. Some of it will go to repay the loan you took out to get started. As the business grows, it will continue to require additional inventory, equipment, and cash, all of which must come out of its profits or more bank loans. If, in addition, you are trying to give price breaks to your constituency, those will further reduce any cash you might take out. Finally, when you own a separate business you have to hire a manager to run it. In most small businesses, the owner is the manager. There is only one person or family to pay out of the profits. If an entity such as a nonprofit is the owner, its income is only available after the manager has been paid.

All of this adds up to the fact that it is probably unrealistic to imagine starting a small retail or manufacturing business which will generate significant amounts of cash to transfer to a community based organization. Even if the "profits" are there in the accounting sense, the cash probably won't be. There is another way to go about it, though. The nonprofit itself may be able to put a portion of its staff time into a business activity which generates immediate cash income. Some forms of this approach may not look much different from what you do already. For instance, a social service agency might be contracting with state government to provide counseling services to a certain constituency. The contract probably does no more than pay out-of-pocket costs. However, many private corporations now want to provide similar counseling opportunities to their employees. The agency could decide to market its services to these customers just as any private business would and to charge a profitable rate (though your attorney may advise you to safeguard your tax exemption by forming a separate corporation).

Other examples might represent more of a break with past activities. An organizations which has developed substantial technical expertise in the course of opposing nuclear power development might invest two person weeks each month in putting out a newsletter for activists. Or a housing group operating in an area underserved by mortgage finance institutions might spend a portion of its time originating mortgages to be resold on national financial markets. Or an environmental advocacy group might contract with an energy company, a state, or a community to develop an environmental impact analysis or "mitigation plan" for an energy development project. In cases such as these, the additional cash generated by finding new

customers and pricing the service profitably can be of immediate benefit to the nonprofit.

In this "greenhouse approach" you can plant and nurture several species of seeds and fertilize those which take root. It demands creativity and a new point of view about what an opportunity looks like. But it is low-risk because, sometimes the only cost to getting started may be in the planning and marketing required to get the first jobs. As you string more activities together, actively manage that whole process, and perhaps develop products of your own, you've moved toward forming a distinct business operation. It begins to look more like the freestanding enterprises discussed above, but with the advantage that it has grown incrementally out of the staff skills available, and has allowed you to generate some immediate income to contribute to staff expenses.

#### Can You Wait?

A freestanding business will require substantial lead time to get to the stage where it is generating a profit, if it is ever destined to do so. A small manufacturing enterprise, for instance, might easily require several hundred hours of planning stretched over several months. Then the start-up phase which may last anywhere from several months to several years, during which time the subsidies will probably flow from the nonprofit to the business rather than the other way around. A retail business might seem easier, but will often take as long to start up. The funding crunch for a nonprofit will most often be much sooner than that. It would be unrealistic for the organization to expect most freestanding business ventures to move from the idea stage to actively generating income soon enough.

The greenhouse approach will also require lead time for planning and marketing. If it grows directly out of staff skills and programmatic experience, however, the organization might be generating new income within several months, though in small amounts at first.

#### Is the Capital Available?

Small business owners usually invest a certain amount of equity - money from personal or family savings - and borrow additional funds from various financial institutions to get started. Most nonprofits will have little of their own funds to invest in a new business. This has been the case historically and it has often led community organizations to start with too little money or to depend on debt financing for as much as 70-100% of the business's capital needs. If you start with less capital than your plan says you need, you just never catch up. This is often cited as the primary cause of business failures. But making up for the lack of equity by borrowing more means higher interest costs and monthly payments to take out of the limited cash you have available to run the business. If the inevitable problems which come up in the course of getting started cause you to delay or miss loan payments, your creditors may, under threat of foreclosure, place requirements on you which they think will safeguard their money. They become an integral part of making the day-to-day choices about running your business.

All-in-all, if you start with too little capital or too much debt, you reduce your own choices in running the business and greatly increase your risk of failure. If you find that you can raise less than 40% of the initial capital required out of your budget or from friendly sources, you may be taking off with too

little of the capital fuel you need to fly very far - or taking on such a heavy debt load that you'll never quite lift off the runway.

#### Ownership Structure

In a freestanding business, the ownership structure is often a source of difficulty for nonprofits. Sometimes representatives of various agencies or constituencies are placed on the board. Often people want to use forms of community or cooperative ownership. But democratic structures for economic enterprises are still in the experimental stage. Many board members are not experienced in exercising ownership of economic resources. Developing an understanding of how to make these forms work is an important aspect of the political goals of many nonprofits, but it brings its own costs. As a result, enterprises with broad, innovative, or complex ownership structures are significantly harder to make profitable. There just aren't many examples of that happening.

Business activities carried out within the organization can present similar problems unless you actively educate the board and staff in making decisions together about this new set of activities. Which leads to the next point.

#### Is the Organization Ready?

Whether you plan to start a freestanding or a greenhouse business, it will place new demands on your decision-making process. One result of adopting the new goal of generating your own income is that you will be less exclusively focused on your program's initial purpose. You will start making decisions based on profit goals as well as on program goals. As a result, you will have to



peel off multiple agendas and weigh other trade-offs. How much of your scarce staff time and money will you put into business activities? Are you going to sell to certain customers? How will the business income be used - for the business's growth or the nonprofit's survival? Who will decide? Will the product be priced lower to benefit a constituency or higher to benefit the nonprofit? Doing business will change the organization in numerous ways, just as a new child changes a family.

All of this will test the organization's clarity of purpose as well as the commitment and mutual trust among the board, staff, and membership. If differences in purpose or values among the leadership are masked by general goal statements and abstractions to which everyone easily has been able to agree, those differences are likely to be highlighted in the course of making decisions about the business. For instance, some members of the group may be ambivalent about doing business at all. They may not like the idea of making profits the highest priority in the business, charging full market price for the product or service, paying "high" salaries when necessary to get the skills needed, firing employees, or doing many of the other things generally associated with managing a business. When these views are left unresolved, they continue to disrupt discussions about the business and its role in the organization.

It can take months for an organization to reach an understanding of how business activities fit into the group's operations and then to make an informed commitment to getting started. And it may also take a while to develop your business creativity - the ability to look at problems as possible income-generating opportunities rather than fundraising needs. If the group does not have a history of business-related activity, this self-education process is likely to require as much lead time and energy as the business planning process itself.

### Who's Going to Do It?

When you are first thinking about business opportunities you may tend to view the organization itself as the owner and manager of the new enterprise. The organization probably will be the owner, but a person (or team of people) will manage it. Investors in new businesses quickly reach the conclusion that there are many feasible venture ideas around but few people actually able to make them work. So, although it might seem backwards at first, you're better off finding the people first and building the business around their skills and interests. If you do have the idea already, find the right manager before you get too far into planning it.

You're not looking particularly for someone who is good at bookkeeping, administration, or even has the technical skills required to make the product (write or produce the publication, make the chair, perform the statistical analysis for the policy paper, counsel people, etc.). These skills are useful, but other kinds of experience and characteristics turn out to be more important. If you look at a number of dynamic, growing organizations, whether nonprofits or private businesses, the leadership will probably have certain attributes in common. They will have a good knowledge of their industry, a high energy level, self-confidence, and a high tolerance for uncertainty. They probably like to solve problems and tend to think that what they accomplish is within their own control rather than a function of luck or circumstances. They are often good at using help and feedback without letting their egos get too wrapped up in who gets credit. They don't mind taking risks but are not "gamblers." This description comes from the literature about successful entrepreneurs, but is just as applicable to identifying good leaders for nonprofits and their businesses. You don't expect

your manager to be superior in all these qualities, but the business has better prospects to the extent that he or she fits this profile.

In addition to these attributes, your manager should be committed to the overall goals of the organization. One reason is that a good manager will have many other employment options. For instance, the person who leads a profitable rehab and real estate sales program for a neighborhood housing group could easily go into business for him or herself. This is bound to happen sooner or later, but managers will probably stay longer in proportion to their commitment to the larger purposes of the organization. Moreover, respect and understanding of a nonprofit's mission will lead the manager to make business decisions which are as consistent with that mission as possible. The real estate example highlights the importance of this. Some business managers might think that quality of rehab work and stability in the neighborhood could be sacrificed to increase sales volume. Both the quality approach and the volume approach could produce profits, but it would be debilitating for the group to have a running battle with the manager over which path to take.

If you pursue the greenhouse approach, the executive director of the organization will probably be responsible for developing the business strategy and making many of the decisions. If it is to be a freestanding business, someone else will run it. In either case, the success of the business will depend primarily on the creativity, skills, and attitude of that person.

#### LOOKING FOR AN OPPORTUNITY

Starting a business is only one of a range of survival strategies open to an organization, and the likelihood that it will pay off should be compared to other options, such as canvassing and local base-building, direct mail, disbanding the organization, becoming a 501(c)(4) to pursue political strategies to create public support for change in the future, or panhandling. After thinking about it, you may determine that the money and staff time required to start a business would have a better chance of producing an income if invested in other ways. However, organizations committed to investigating a business strategy can, with a minimum investment of money and staff resources, decide how realistic their opportunity is if they will follow an organized approach.

It will make sense to look for a business which, for your organization, carries the lowest possible risk. That does not exclude aggressive, innovative, or exciting businesses, but since you probably will have only one shot at it, you improve your odds as much as possible. One way to do that is to keep the initial investment low. What "low" means will vary with the size of your organization. A total start-up cost of \$10,000 might be large for an organization with a \$30,000 budget and small for one with a \$200,000 budget. But as the start-up cost gets larger, you encounter several factors which tend to increase the risk. First, money is simply hard to get. If you start with too little or borrow too much, you've dramatically increased the risks. Beyond that, as the size of the initial investment increases, the complexity of the business usually increases, the start-up period tends to get longer (there's more to go wrong) and the time until surplus income might be generated lengthens.

A second way to reduce the risk is the greenhouse approach: choose a business you can get into a step at a time, probably related to something you are already doing. You could begin seeking contracts locally, produce small amounts of a product to sell locally, or find another way to test the feasibility of an idea on a small scale.

Finally, no matter what scale the proposed business activity is, you can follow an organized investigation process and write down what you find out. Writing it down is useful because you see how all aspects of the idea fit together. You can see where it's fuzzy and what difference it would make if you sold less than expected, paid the employees more, borrowed more money, took longer than expected to start up, reinvested your income for fast growth versus taking it out for the organization, etc. Circulating a written document is also the best means of getting critical questions and observations from advisors such as accountants, community leadership, and people with experience in the business you are considering. The following series of questions could be used to guide your investigation process.

1. What is your purpose?

The fewer purposes the better, as discussed in the first section. Each additional goal for the project adds an additional activity or constraint, either of which costs money. However, even if you agree that generating income is your primary purpose, it is useful to define it more closely than that.

It's true that any additional income is probably better than none, but meaningful survival of your organization is likely to depend on achieving some level of earnings in the business you are considering. You should, therefore, determine the yearly income you want the business to generate. Next, there is

probably a time by which you need it - the last possible date by which the income must begin to flow if it is to meet your needs. You may not have exact answers to each of these questions, but it is worth the effort to narrow them down as much as possible.

2. What are your strengths, as an organization and as individual staff members?

Many nonprofits have developed a marketable level of skills in their areas of expertise. The staff has usually applied its knowledge to providing advocacy, technical assistance, research, or service delivery to a constituency which cannot pay for the activity directly. Your years of operating as a nonprofit may have given you access to a certain flow of information - about government, the environment, economic conditions, social or cultural issues, etc. - which few others have or are prepared to turn into a business. Your individual staff members may have technical skills developed on the job or from previous jobs. Organizational information and skills may be usable in ways entirely different from the way they are used in your current program. The question is what skills, knowledge, or access do you have?

3. How can these strengths be turned into revenue-producing activities?

Turning your particular knowledge or strength into a business opportunity is primarily a matter of figuring out whether someone wants to pay enough for it to make it worth your while - whether there's a market. This is one area where multiple agendas can be deadly.

You should be asking who wants or needs the product you're considering. If the answer is that someone should have your energy saving device or counseling services or your people-based program design services, you've identified a product in search of a market. You might predict that, although few consumers know they need this product now, they will begin to realize it and the market will grow. However, the landscape is littered with failures which started with overly optimistic projections of the market for a product someone wanted to produce. So the question is who wants and can pay for the product you can sell them now?

It will be useful to brainstorm this early and, perhaps, over a period of time. As you survey your strengths and try to match them with potential markets, ideas will tend to subdivide, rejoin, and germinate better ideas. In working through the process you may see organizational strengths you never noticed before, so you'll probably go back and forth between this question and the previous one. You may come to see your constituency as a market in a way you had not previously. Maybe the contacts you have developed throughout the country in the process of advocating on national issues can become the sources of a profitable information network. Maybe they are the market. The main point here is that the brainstorming should be extensive and the winnowing ruthless. Generate numerous ideas and then cross out the ones which don't serve your purposes best and don't make the most of your organizational and personal strengths.

You should also look for the "easiest" opportunity - the one which uses your strengths most directly. You may find opportunities which don't need much beyond marketing staff skills to a new set of customers. In other cases, you may be able to research an idea, plan the product or activity, and identify the market as part of your current program, thus absorbing a substantial part of the startup cost. You would not have to take the leap until you were confident about the prospects.

Looking for a market is something like fund-raising. You have to convince funding sources that they should pay you to carry out a certain activity. You match what they want to buy - as expressed by their program priorities - with what you want to do. When you're looking for business opportunities, you're looking for whole new categories of buyers. Their biases may not be as familiar to you and they don't write program guidelines, but they do put out signals. You've got to learn to read them and deduce what they'll be willing to buy from you.

4. Is there a source of assistance in carrying the project further?

Good assistance in this investigation process will be worth much more than whatever you may pay for it. There are really two kinds of expertise to seek. Ideally, you would find one person (or organization) who has had experience starting businesses, helping other people getting into business and, particularly, in helping nonprofits do it. Operating experience,

both in businesses and nonprofits, would make this advisor even more valuable. The expertise is rare, but worth the search. A paper such as this cannot replace the interaction and feedback you get by working with someone who's been down this road many times before. Ask current advisors, funding sources, lawyers and accountants in the area, or the Small Business Administration. Once you have narrowed your options, you will also want to draw on as many specialists as possible - people who are experienced in various aspects of the business you are considering. (The usual first stop here is trade associations. There probably has been one formed for any business you'll ever consider.)

The question of how to work with consultants and get what you want out of the relationship is a much discussed one. Suffice it to say here that not only do you have to find people who have expertise and the ability to harness it to your goals, but you have to be good at using their help. You must determine whether a potential assistance provider really has the information you need, and whether you can develop a relationship based on mutual trust (as well as a written agreement). Then you must be committed to actively exercising your own judgment throughout the process, not merely accepting what is brought to you.

##### 5. Are there any examples?

I use the word "example" instead of "model" for two reasons. First, there are not many models of nonprofits which have successfully started and generated income from businesses. Second, where there is a model, it is unlikely

to be replicable. It is like building a tree house. You can see how your neighbor made one - understand its basic principles, see how problems were solved, get some new ideas - but your tree is a much different shape. You'll have to figure out most of the specifics for yourself.

Several examples that I happen to know are given at the end of this paper. They all depend, more than anything else, on creative energy of the people who put them together. Another characteristic most of them have in common is that they can be started on a small scale, with a small initial investment.

When you track down examples of your own, it's important to take away the right lessons. For instance, it's possible to look at a very profitable restaurant or newsletter and determine that those appear to be good businesses, while the real lesson may lie in the special talents and energies of their leadership. Or a workers' co-op doing solar rehabilitation currently may be paying its owners well, but the same business with a different ownership structure may not work. You've also got to be clear about what you're seeking. Does the business really make money? If so, over what period of time? How much? How dependably? How soon after it was started was it profitable? Does it depend on some special skill or situation which you can't replicate? Was it financed on terms which you can't obtain? Are its goals and constraints similar to yours? So few businesses operated by small nonprofits are generating useful levels of income for programmatic activities that if you think you've

found one you should look again - first to be sure it's true and then to learn from it.

6. Do preliminary research.

The questions are fairly straightforward at this stage, but finding dependable answers will often be time consuming. You should get one or more people with experience in the industry you are considering to critique your results as you get them. By this time you will be enthusiastic about the project, so you may not analyze the information objectively unless you have to deal with the cold, hard critique of others. The preliminary research questions are the following:

- What business are you going to be in? You should be able to say this concisely.
- Who are the customers? Can they pay? What price? Do they want it or do you want them to have it? Is the market growing, stable, or shrinking? If it isn't growing, it is unlikely that you can establish yourself in it.
- How hard is it to break into the market? Who is the competition? Are they well established and trusted or vulnerable in identifiable respects? Do a few individual companies control large portions of the market or are there many small ones? Is important information about the industry available to you?
- How much start-up capital is the business likely to need and where might you get it? You will have to make preliminary budgets to determine this.
- What is a realistic estimate of how much net support will be available to the nonprofit if all goes well? Is that enough for your needs?

- When might that money be expected to be available? Is that soon enough?

- How much staff time will it take to get started? Where will you get it?

7. What must be done to safeguard your tax exemption?

A nonprofit can undertake any legitimate business activity without losing its tax-exempt status. The only question is how. What follows is not a legal opinion, but a point of information sufficient for the immediate discussion.

The concern of the IRS is that a normal commercial enterprise not avoid taxes by masquerading as a nonprofit. Generally, if the IRS considers the activity "substantially related" to your exempt purpose, you can do it as a nonprofit corporation. If the activity is deemed "substantially unrelated" to your exempt purpose, but contributes less than 15% of your yearly budget, you'll need to pay tax on the profits but it will not jeopardize your tax exemption. However, if the IRS rules that the business activity is unrelated and provides over 15% of your budget, your exemption could be revoked on the basis that your purpose has become primarily commercial rather than charitable. It's possible to guard against this by legally separating the business from the nonprofit, but just how to do this will vary with the situation and the state.

There are many legal subtleties to this question and there is no one set of measures used by the IRS in reaching a determination. Examiners look closely and make a judgment. There is no substitute for advice from an attorney and an accountant familiar with these issues - it can save your exemption and minimize any taxes you may have to pay.

8. Who's going to run the business?

Some of the characteristics of the people likely to be good at running your business are discussed earlier in this paper. You may have additional requirements. Is that leadership available? Can you keep it?

The leadership who will be responsible for operating the business should also be responsible for planning it. Preparing a business plan is not merely a technical exercise. Choices among alternative approaches and judgments of what can be made to happen in the future are at the heart of the planning process. You want the responsible people to reach those judgments themselves, and to be committed to the resulting plan.

9. Is it doable and is it worth it?

At this point, you should stand back and look at the whole project. The preliminary planning process has uncovered a number of potential problems. Are you prepared to deal with them? Board, staff, and membership have considered the idea of generating income through business activities and have discussed the specific business proposed. Does the discussion indicate that the organization can make the decisions required by the new business?

You may find that the new business is feasible, but doesn't quite achieve the purposes you laid out at the beginning. You may also find that the service your business will provide or the staff time it requires are inconsistent with your programmatic goals. You should look at these and other questions with an open mind.

Be willing to walk away from the idea and go on to another one if necessary.

10. If it is worth it, do detailed planning.

Preparing a full business plan is useful because it makes you think critically about what you plan to do, describes the business for potential sources of financing, and serves as a management tool once you get started. The larger the undertaking, the larger the planning task will be, though the plan itself need be no longer than thirty pages. On the other hand, if starting your proposed business activity will not cost much, you might decide to go ahead based on your preliminary planning, using your initial activities to gather information for further planning. The following brief outline gives an idea of what is covered in a business plan. There are many sources of guidance for writing the plan and several of them will be listed with the references. You should get one before doing yours. This outline draws heavily on The Business Planning Guide (by David H. Bangs and William R. Osgood, Portsmouth, New Hampshire: Upstart Publishing Co., 1979), the best and easiest to understand guide I've ever seen.

• Definition of the business

Deciding what your business is, and what it will be in five years, is the most important and difficult decision you will have to make. If you have followed the business investigation process outlined above, the central activities by which you define your business will be closely related to the organizational strengths you identified early on. If the business has several activities, you will have a crucial



judgement to make about what the central activity is. If you publish a newsletter which monitors the Environmental Protection Agency, for instance, you might define your business as publishing, public agency monitoring, safeguarding water resources, economic development, or something else. You would write, print, market, and develop additional products differently in each case.

- Key people

Leadership and management: Who makes what decisions? Are all the important areas covered? What business and management experience has the leadership had? What direct operational experience has the manager had in this type of business? What will salaries be?

Employees: How many will be needed at first? In the near future? In five years? What skills must they have? Are they available? Will they need training? If so, what will it cost?

Other resource people: Who will be the accountant, lawyer, insurance broker? Who is on the board and what assistance can they offer? What consultants and other assistance sources are available?

- The market

Who needs your product or service? Who actually pays for it? What is the size of the market? What percent of the market will you have? What is the market's growth potential? How are you going to price your product to make a profit and still be competitive? What will you do to attract and keep your customers? Be prepared to spend as much as 75% of your planning time on researching your market and developing strategies for marketing your product.

- Competition

Who are your most important competitors? How would your operation be better than theirs? Is their business steady, increasing or decreasing?

Why? How are their operations similar and dissimilar to yours? What are their strengths and weaknesses? What have you learned from watching their operations?

- Technical processes and operations

Describe the facilities, location, space requirements, equipment, etc. Describe the product and its important characteristics. If you'll be producing it (manufacturing, writing, designing, etc.), detail how that will be done.

- Financial structure and expected use of loan or investment (if needed)

Describe what cash and assets you've got, what you still need, and what you would use it for. On what terms do you have the cash - grant, long-term loan, etc.?

- Financial data

This will include several kinds of financial projections: 1) sources and application of funding - a summary of where you plan to get the money you need and how it will be used; 2) projected profit and loss statements - detailed in the first year and more general for the two years after that; 3) projected cash flow - a month-by-month forecast of what cash will come into and what will go out of the business; 4) projected balance sheets - what the business owns and what it owes and how those assets and liabilities are distributed. These terms may be unfamiliar, and even forbidding. However, the business's manager should learn to make and use these kinds of budgets and not leave them to the accountant to produce. This is where the decisions are made.



## 11. Financing

There are no new secrets to reveal about sources of financing. The best solution is to minimize your needs by starting income generating activities as an adjunct to your current program. There are, however, several useful references in the resource list.

The most likely source of start-up capital is your local constituency, friends, and advisors. I have been involved in several ventures which raised \$5-\$20,000 in the form of numerous small loans from local supporters. Loans were as low as \$100 on the smaller projects and up to \$1,000 on the larger ones. There were usually about twenty subscribers, of all income levels, with one or two people making larger than normal loans. And, in each case, they were all repaid! That's probably because the ventures got pretty thoroughly analyzed in the course of obtaining twenty different loans from people who needed their money back. Of course, the borrowers also had a strong commitment to repay their supporters. This financing method isn't as cumbersome as you might think, and it gives tangible form to community support for your project. Federal and state securities laws may apply, however, so be sure to get legal advice. Since you probably will not need to pledge your assets as collateral, and the loans may often carry flexible repayment terms and low interest rates, you may be able to borrow the rest of what you need from a commercial bank or other conventional sources.

Many nonprofits don't consider borrowing from a commercial bank, on the assumption that they would have no chance of getting a loan. It's worth checking anyway.

Although commercial bankers are not in the business of taking risks on new enterprises, a good business plan and experienced management may convince a banker that his or her money would be safe in your business, perhaps with a guarantee from the Small Business Administration. Even then, you can only expect to borrow against collateral in the form of tangible physical assets with an established resale value. If the business has those assets to pledge, however, a commercial bank may be a source for some portion of its capital needs.

If you still need additional capital, loans from churches and foundations might be a source. In the mid-70s, several church denominations had lending programs which financed businesses oriented toward social and economic change. The repayment record was not good and those funds have become inactive. However, there appears to be a renewed interest among some churches in doing this kind of lending on a small scale (see the resource list for contact points). The Campaign for Human Development, for instance, makes low interest loans to poor people's co-ops. In the case of foundations, there seems to be a new willingness to consider program-related investments - usually loans with lower than normal interest rates. Among both churches and foundations, however, the movement toward this kind of lending seems to be small and tentative.

## A FEW EXAMPLES

Since there are not many demonstrably successful examples of nonprofits generating surplus income through business ventures, I will mix my own ideas about what might work together with what I have seen other people do. The examples are meant to illustrate several promising approaches for community based nonprofits which do not have their own capital. (For that reason, I will leave out the whole range of ventures financed by CDA-funded Community Development Corporations, since they typically have had resources which will not be available to other organizations.) Many of these enterprises are not replicable, but they should open up your thinking. Several articles have been written describing business activities by nonprofits, and at least three organizations have been funded to research and document this kind of activity (see reference list). This material may provide additional ideas. You can exercise creativity on this issue with the confidence that you will not be inventing old wheels.

### Using Volunteers

Maybe your strength is in your volunteer network. Many groups, ranging from advocacy organizations to hospitals, have drawn on their constituencies of active volunteers to develop thrift stores. These might be "consignment shops," which sell primarily higher quality clothing and give a percentage to the owner, or "second-hand shops," which attempt to sell a high volume of donated furniture and clothing at low per-item prices. They generate more funds for the organization in proportion to the level of volunteer energy they draw. One large and well established thrift store run by a hospital in Chicago contributed \$150,000 to the hospital in 1981. A small one, with \$45,000 per year in sales, contributes about \$10,000 per year to a community group in rural Arkansas. Table I, below, shows the start-up and operating budget for the small store which sells donated items.

TABLE I

### FINANCIAL PROFILE: SMALL THRIFT STORE

#### Start-Up Costs

Operating Capital		\$9,357
Equipment Capital		
Truck	\$2,000	
Fixtures	2,000	
Misc. equipment	300	
		<u>4,300</u>
TOTAL CAPITAL		\$13,657 (incurred 6 years ago)

ANNUAL SALES	$\frac{\%}{100}$	<u>Actual</u> \$42,000
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#### Operating Expenses

Lease	11.3	\$ 4,764
Utilities	4.5	1,900
Labor	40.0	17,000 <sup>1</sup>
Fringe	8.0	3,400
Bookkeeping	1.5	630
Office supplies	1.4	670
Postage	.1	50
Commissions	2.4	1,000
Bldg. maint.	1.6	700
Telephone	1.2	500
Facility ins.	.7	300
Gas, oil, veh. maint.	1.4	<u>600</u>

TOTAL OPERATING COSTS \$31,814

NET Before-Tax Profit 24 10,186<sup>2</sup>

<sup>1</sup>This could decrease as you increased volunteer participation.

<sup>2</sup>The good margin is a result of donations and volunteers

### Repackaging Your Skills for Another Market

Another clear example of building directly on your strengths is seen in the marketing activities of the Children's Museum in Denver. The museum raises virtually all of its operating budget by marketing to commercial customers its skills in graphics and design and its understanding of children's art and entertainment. For example, one of the staff noticed that the children's entertainment packet provided by an airline was not well designed for its purpose. The museum proposed that that company contract with them to develop a series of better alternatives at a competitive price. The airline took them up on it and the museum designed half a dozen packets - at a price which made them both happy. Richard Steckel, the museum's executive director, has made a videotape discussing his approach to marketing staff skills (available from the Museum for \$100 rental fee) and sells a recently completed 85-page study on their activities for \$100.

### Newsletters

It is often observed that this is the age of information and service businesses. Most nonprofits are in those businesses, though they probably haven't defined themselves that way in the past. In your analysis of organizational strengths, you may find that you have technical knowledge, access to a certain flow of information, or the ability to monitor certain agencies or events. If any of this information can be packaged for a consumer who can pay for it, you may be able to develop a weekly, biweekly, or monthly newsletter to provide it.

Newsletters are particularly good vehicles for specialized information since they can be geared to as small a market as necessary, if the consumer wants the information badly enough to pay the price. There are hundreds of newsletters in the country.

The Housing and Development Reporter, for instance, costs over \$400 per year and goes to people concerned with federal community development programs. One investment letter analyzes only the furniture industry and costs \$1,200 per year. A reporter in Kentucky produces a monthly newsletter providing very specialized legal information to 220 corporate executives for \$200 a year. (A variation on the newsletter idea is an electronic letter or a network providing information periodically through the desk-top computer.)

During the first round of Reagan budget cuts, Jule Sugarman traveled nationally to interpret events and analyze the impact of the cuts for local groups. When the second round of budget debate started in January of 1982, his office was ready with a biweekly newsletter called Human Services Insider, available for \$100 per year. He apparently recognized that a base of subscribers would provide more stability - and probably flexibility - than grant funding. The price may seem steep, but a growing number of groups subscribe to it for authoritative monitoring of events from an advocacy viewpoint.

None of this is meant to imply that starting a newsletter is easy. But the guidelines for doing it successfully are well established and available (see the reference list). If your market is small and your idea is well-honed, you can test your letter for less than \$10,000 plus staff time. If you hit a winner, it will cost you more before it starts paying off, but you can determine that in your business planning process.

### Consulting to Corporations or Politicians

Your programmatic knowledge may be immediately marketable as consulting. For instance, as certain industries become controversial - such as energy, insurance, hazardous waste generators - many companies become interested in demonstrating their corporate responsibility.

There is a consulting role in proposing meaningful initiatives they might take, a role which advocates may be interested in filling. One environmental group holds problem-solving conferences at which a company producing pollution discusses the issues and possible remedies with the community affected. In another case, a group is considering doing political consulting. It would contract to write position papers and brochures on its issues for appropriate candidates in upcoming elections. (It would take precautions to safeguard its tax exemption.)

Housing Rehabilitation

Many neighborhood groups are considering for-profit contracting ventures in housing rehabilitation. Some, including The Woodlawn Organization in Chicago and Housing Opportunities in Pittsburgh, are doing it. Although rehab contracting is subject to many uncertainties - making accurate estimates is difficult, private financing is costly and federal programs are shrinking - it can be started on a small scale with limited capital. You could probably start with a hammer and a tape measure, but for illustration purposes Table II on the next page provide a financial sketch of a somewhat larger operation. This one would employ five people and renovate eighteen units the first year, at a projected price of \$10,000 per unit. It would require an initial investment of about \$24,000, though that could be reduced if some equipment were available already. The figures shown here are typical for the industry, and are provided as an example of information you might develop in the preliminary planning stage of any business activity. You would then make detailed projections based on an analysis of your own actual costs done in the course of planning your own business.

TABLE II  
FINANCIAL PROFILE: HOUSING REHABILITATION

<u>START-UP COSTS</u>		
Operating Capital		\$15,000
Equipment Capital		
Truck	\$5,000	
Tools	3,000	
Misc. building materials	<u>1,000</u>	<u>9,000</u>
TOTAL START-UP COSTS		\$24,000
<u>OPERATING BUDGET</u>	<u>%</u>	<u>Actual</u>
SALES	100	\$180,000
<u>Cost of Sales</u>		
Labor	37	67,080
Materials	26	46,800
<u>Total Cost of Sales</u>	63	113,880
<u>Gross Profit</u>	36	66,120
<u>OPERATING EXPENSES</u>		
Employee benefits	4.5	8,163
Permits and bonding	1.4	2,660
Insurance	.3	600
Vehicle expenses	1.2	2,300
Legal	.2	300
Depreciation	.6	1,000
Subcontracting	15.0	27,000
Equipment rental	1.9	3,420
Rubbish removal	.5	900
Operating Expense Total	25.0	46,333
Other Expense		
Interest (assuming 9% interest on start-up loan)	1.0	1,863
<u>Total Expense</u>	26.0	48,206
NET PROFIT PRE-TAX	10.0	17,914

### Oil Companies

Tenants' groups in New York City, and probably other cities, have served their constituencies by establishing heating oil supply co-ops to bring down winter fuel bills. They simply buy fuel oil in bulk and resell it to tenants' organizations at a high enough markup to pay their costs, which still puts the price below market. In this case, the purpose is to save money for tenants and to lower heating services rather than make money to pay for separate nonprofit activities. However, these groups do illustrate a way of providing their services on a self-sustaining basis.

Citizens' Energy Corporation, in Boston, has approached the task of lowering fuel oil costs on quite a different scale. It buys crude oil in Venezuela, refines it and sells off the non-heating oil by-products, and then imports the heating oil to sell to low-income families at 40% off the market price. The group has put about one quarter of "the proceeds of its revenues" (their phrase) back into alternative energy projects in Costa Rica and Jamaica. The project is directed by Joseph Kennedy II, whose name was undoubtedly helpful in opening many doors, but the ingenuity with which they approached their task appears to have been even more important to the project's success. According to Steven Rothstein, the program director, the project has never received grant money, but moved in a period of six months from the point of conception to when the cash started flowing. Research into the oil importing business, planning the enterprise, and initial negotiations with suppliers and bankers were all carried on by volunteers out of a basement office. Even if the staff time and expenses during the start-up period were tabulated, it appears that the costs would be small. However, the volunteers were putting those resources at risk. This project is probably not replicable, but it is still a good example of a project which

both accomplishes the nonprofit's goals and generates income.

### Insurance

Another example of creative use of established financial tools is the health insurance trust developed by the National Association of Farmworkers Organizations. Tom Jones is NAFO's former national director and he guided the trust's development. NAFO was trying to create a health plan for its staff and membership organizations. After substantial research into the failed attempts of others and after extended negotiations with ERISA, NAFO succeeded in designing and starting a self-insurance program. It covers the vast bulk of its claims out of the paid-in premiums of members (using 10% of the premiums to purchase re-insurance from large companies to cover catastrophic claims), provides premium rebates at the end of each year, earns a substantial surplus, and provides a pool of funds out of which to make investments which benefit the members of the trust. NAFO determined that the minimum group for an unsubsidized program is about 270 affiliated people.

### Real Estate

In real estate finance, you plan to break the rules about avoiding large proportions of debt. Many financial practices have been developed specifically to use whatever tax code provisions exist at a given time to gain leverage - that is, attract a lot of money to an investment while bringing only a small amount to the table yourself. The tax code makes it possible for a "doer" with the minimum of money to attract large amounts of funds into a business or real estate investment from passive investors. That makes these tools ideally suited to the needs of many nonprofits.

In Colorado Springs, the Pike's Peak Mental Health Center has pursued a strategy of building its capital base through leveraged real estate financing. With a small downpayment, it acquired a motel which had defaulted on its payments to the SBA. The monthly mortgage payments were no more than their rent for similar space would have been. When they planned to move out of that building to a larger space, a market analysis showed that the property was a good location for a fast food franchise. They teamed up with an experienced franchise owner/manager and, essentially, rented him the building and land in return for a share of the profits. Their contract makes full use of provisions of the tax code to reduce his income taxes and increase the flow of cash available to the nonprofit. The organization used the money it made on that transaction to finance the purchase of its new space, a former shopping center, part of which it rents to other nonprofits.

The Association of Neighborhood Housing Developers in New York was looking for a low-cost way to provide tenants with storm windows, which would lower their heating costs. Landlords had no incentive to install them because tenants pay heating costs directly. ANHD conceived the idea of purchasing large numbers of storm windows and syndicating the investment through a tax-sheltered limited partnership just as is done with real estate (syndication is the sale of shares of ownership in a business project). The result would be to reduce significantly the cost of storm windows for the tenants. A funding source agreed to pay up to \$10,000 for the consulting services necessary to design the project. The idea turned out to be feasible and the plan was developed, though it has not yet been implemented.

Neighborhood organizations could get into real estate with open-ended possibilities. Some have undertaken private syndication and management of housing projects, taking advantage of special tax treatment of such projects as low-income housing, new and rehabilitated commercial projects, and the purchase of existing buildings. These leveraged real estate projects are not appropriate for nonprofits whose short-term survival is in doubt, but more stable groups will find them accessible despite the sophistication they require. The necessary legal and accounting assistance can often be found at a bargain or paid for with a small grant or future project income. Most importantly, the risks can be reduced by starting with small, well-planned projects.

## FURTHER REFERENCE

### I. General Business Information

Daniels, Lorna M. Business Information Sources. Berkeley, University of California Press. 1976.

This is a basic and thorough roadmap to information about business related subjects, written by the librarian at the Harvard University Graduate School of Business Administration.

Timmons, Jeffry, and David Gumpert, The Insider's Guide to Small Business Resources. New York, Doubleday. 1982.

The authors offer guidance in clear prose. The book goes into some detail about borrowing, explaining how to approach lenders, how they differ and the types of loans each prefers. An appendix explains the business plan and tells why compiling one is worth the effort.

In Business, Box 323, Emmaus, Pennsylvania. \$13.97 for 6 issues (bimonthly).

Tips for very small "new age" businesses.

Inc.: The Magazine for Growing Companies, P.O. Box 2538, Boulder, Colorado. \$18.00 for one-year subscription.

The best magazine about fast-growing entrepreneurial ventures, the problems faced by small (not publicly owned) businesses, and public policy as it affects small business. Lots of stories about individual business people and how they faced one or another fundamental issue.

Common Sense, monthly 8-page newsletter, \$36/year, Upstart Publishing Co., Inc., Box 323, Portsmouth, NH 03801.

Clearly written and dependable advice on issues of particular importance to businesses with less than \$1 million in sales. One topic each month - insurance, planning, pricing, advertising, small computers, etc.

Small Business Administration, offices in most larger cities.

The SBA has a long list of publications on various aspects of doing business and on specific enterprises, in several forms (described under Technical Assistance, below). Publications are often overly simple and sometimes old, but can be a good place to start.

### II. Business Planning

Timmons, Jeffry A., Leonard E. Smollen, and Alexander Dingee. New Venture Creation: A Guide to Small Business Development. Homewood, IL, Richard D. Irwin, Inc. 1977.

This is a college text and presents extensive material on entrepreneurial aptitude as well as business planning, providing exercises as well as tests. Has a good planning guide and model business plan for a manufacturing venture.

Bangs, David H., Jr. and William R. Osgood. Business Planning Guide. Portsmouth, NH, Upstart Publishing Co., Inc. 1979.

An unusually clear presentation of the whys as well as the hows of business planning, particularly geared for small retail enterprises.

Breen, George Edward. Do-It-Yourself Marketing Research. New York, McGraw-Hill Book Company. 1977.

A good basic guide to what can seem to be a mysterious process.

Statement Studies, Robert Morris Associates, annual. Philadelphia, PA.

This provides a numerical analysis of the financial statements of business, classified by size, for each industry. Allows you to compare your financial projections to actual experience in the industry.

### III. Technical Assistance

Center for Community Change, 1000 Wisconsin Avenue, N.W., Washington, D.C. 20007.

CCC provides a wide range of technical assistance to community based organizations working to empower low-income and minority people. They do not usually provide direct assistance in starting businesses, but may be able to refer you to a local source. (202) 338-6310.

#### University Centers

Many public universities have "business assistance centers" under various names. They usually have core staffs and draw on university faculty as necessary.



Small Business Administration: Management Assistance and Service Corps of Retired Executives (SCORE)

You can contact both your local SCORE chapter and SBA's own management assistance staff people through the nearest SBA office. In both cases, some of their folks will be enormously helpful and others won't be at all. Just keep at it until you find the person you need.

#### Local Business Community

If you check with enough local business people you'll find several who are knowledgeable in what you need to know and are more than willing to share it. Sometimes there will be a local association of accountants which can provide some pro bono assistance.

#### IV. Business Finance

Financing Small and Growing Businesses. USA, Deloitte Haskins & Sells. 1981.

A small but thorough booklet by one of this country's largest accounting firms.

Smollen, Leonard E. and John Hayes. Sources of Capital for Community Economic Development. Cambridge, MA, Center for Community Economic Development. 1976.

Written for community development corporations, but is a basic guide to sources of capital for any enterprise.

Diener, Royce. How to Finance a Growing Business. New York, Frederick Fell Publishers, Inc. 1974.

A basic guide to types of financing, the terminology, etc. You'll only need this as a brief introduction rather than a continuing reference. About half of it concerns acquisitions and international finance.

#### V. Tax Issues

IRS Code, sec. 501, 509, 511, 514

These are the sections which deal with business activities of nonprofits.

Wiewel, Wim, and Jim Ridker. Business Spinoffs: Planning the Organizational Structure of Business Activities: A Manual for Not-for-Profit Organizations. Chicago, University of Illinois at Chicago Circle, Center for Urban Economic Development. To be published in April, 1982.

This book is not out yet but it promises to be a very thorough treatment of the tax issues of importance to nonprofits entering for-profit business.

National Economic Development Law Project, 2150 Shattuck Ave., Berkeley, CA 94704; phone: (415) 548-2600.

Set up specifically to support Legal Services offices and Community Services Administration grantees, the Law Project has accumulated extensive and reliable expertise in issues of importance to nonprofit economic development corporations. Some of that will apply to the subject of nonprofits doing business. If you serve low-income people, they can help you directly or through your local Legal Services office.

Bromberg, Robert S. "Tax Consequences of Expanding Income-Producing Activities of Charities and Business Leagues," from the Prentice-Hall Tax-Exempt Organizations Service, pp. 3485-3500, dated 3/23/81.

Though this chapter is geared particularly to hospitals and larger institutions, the discussion is also more generally applicable to nonprofits.

Allen Yanowitz, Attorney, Suite 801, 1101 Seventeenth St., N.W. Washington, D.C. 20036; phone: (202) 887-9153.

Mr. Yanowitz developed a specialty in the legal issues of importance to nonprofits in business.

#### VI. Reports on Models

Lindorff, Dave. "Lending a Hand to the Poor," Venture, October, 1981, pp. 86-92.

Williams, Roger, "Why Don't We Start a Profit-making Subsidiary?" in The Grantsmanship Center News, Jan.-Feb., 1982, Vol. X, No. 1, Issue 45 and Mar.-Apr., 1982, Vol. X, No. 2, Issue 46.

Enterprises in the Non-Profit Sector, a research project funded by the Rockefeller Brothers Fund and carried out by the Center for Policy Research, Columbia University. Contact: James Crimmins or Mary Keil, 165 Duane St., #9D, New York, NY 10013; (212) 766-4220.



Business Ventures Project of the Northwest Rockies Action Group, funded by the Island Foundation. Contact: Charles Cagnon, 300 Buchanan #210, San Francisco, CA 94102; phone: (415) 864-0767.

Entrepreneurship in the Nonprofit Sector, funded by the Mott Foundation, carried out by the Neighborhood Development Collaborative. Contact: Carol Conroy NDC, 1101 15th St., N.W., Washington, D.C. 20005; phone: (202) 232-8744.

VII. Thrift Stores

Office of Human Concern Thrift, Rogers, Arkansas.  
Contact: Wallace Smith, (501) 636-7301.

Junior League Shop, Washington, D.C. Contact: Gene Ward, (202) 337-6120.

VIII. Rehab Contracting

Housing Opportunities, Inc., 623 Versailles Ave., McKeesport, PA 15132; (412) 664-1590; or, 1208 Empire Building, Pittsburgh, PA 15222; (412) 566-2480. Contact: Allen Sethman.

The Woodlawn Organization, 6040 S. Harper, Chicago, IL 60637; (312) 288-5840. Contact: Leon D. Finney, Jr., Executive Director.

P/FV Development Training Institute, 1430 Lancaster St., Baltimore, MD 21231; (301) 243-1920. Contact: Joe McNeely, Director

Eighteenth Street Development Corporation, 1900 S. Carpenter, Chicago, IL 60608; (312) 733-2287. Contact: Jose Ovalle, Director

Pacific Asian Consortium in Employment, 1501 W. Washington Ave., Los Angeles, CA 90007; (213) 748-8431.

Jones Falls Enterprises, 914 W. 36th St., Baltimore, MD 21211; (301) 243-6020. Contact: Gene Ruckle, President.

IX. Newsletters

Newsletter on Newsletters, 44 Market St., Rinebeck, NY 12572.  
Howard Penn Hundson, President.

This is a thorough sources of information, workshops, and directories about newsletters.

Sahlein, Stephen. "Launching a Newsletter: Eighteen Ways to Evaluate a Newsletter Idea Before You Publish," Folio: The Magazine for Magazine Management, December, 1981, Vol. 10, No. 12. Stephen Sahlein, a marketing and promotion consultant, 51 Villa Road, Larchmont, NY 10538; (914) 834-4441.

An authoritative 6-page article, with sample financial projections.

X. Other Examples

The Children's Museum, 931 Bannock St., Denver CO 80204.  
Richard Steckel, Director; (303) 571-5198.

National Association of Farmworker Organizations, 1000 16th St., N.Y., Lower Level 10, Washington, D.C. 20036, Francisco Catllanos, National Director; (202) 775-9506.

NAFO established the NAFO National Benefit Trust under the leadership of Tom Jones. The address of the Trust is: The Commonwealth Building, 1625 K St., N.W., Suite 301, Washington, D.C. 20006; Gene Mendez, Administrator. Tom Jones is a consultant and is available at 5609 Exeter St., Churchton, MD 20733; (301) 261-5889.

Citizens Energy Corporation, 122 Bowdoin St., Boston, MA 02108, Joseph Kennedy II, President; (617) 227-2321.

Association of Neighborhood Housing Developers, 115 23rd St., New York, NY 10010. Mrs. Bonnie Brower, Executive Director; (212) 239-9410.

Betty Terrell, the former Executive Director, designed the syndicated storm window project and is reachable through ANHD. Calvin Parker is still on the ANHD staff and can discuss the project.

Pike's Peak Mental Health Center, 875 W. Moreno, Colorado Springs, CO 80905; (303) 471-8200. Chuck Vorwallner, Executive Director.

V

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FUNDRAISING (GENERAL)

For Your Information: A Manual of Resources and Technical Assistance for Grassroots Organizations by Cheryl Fong and Kenji Murase, eds., 1979. This is essentially a manual on starting and operating a community based organization. Contains chapters on problem identification and needs assessment, incorporation, program planning, proposal writing, fundraising, volunteers, financial management, and other topics. Has thorough bibliography in each chapter. Available for \$8.00 including postage and handling from Pacific/Asian Coalition, 1366 10th Avenue, San Francisco, CA. 94122.

The Grants Planner: A Systems Approach to Grantsmanship by Daniel Conrad and the Research and Development Staff of the Institute for Fund Raising, 1977. Looseleaf book that contains forms, worksheets and checklists to help in identifying potential funding sources and preparing proposals. Available for \$47.50 excluding postage and handling from VOLUNTEER, P.O. Box 1807, Boulder, Colo. 80306, (303) 447-0492.

The Grantsmanship Center News. Published monthly. Contains how-to articles on managing nonprofit organizations and resource development. Excellent section on current public and private funding opportunities. Available for \$28 annually from The Grantsmanship Center, 1031 S. Grand Avenue, Los Angeles, CA. 90015, (213) 749-4721.

The Grass Roots Fundraising Book: How to Raise Money in Your Community, by Joan Flanagan, 1977. Inspiring book on all aspects of community fundraising. The major emphasis is on planning fundraising events such as book sales, auctions, dinners, benefits and many others. Available for \$5.75 including postage and handling from The Youth Project, 1555 Connecticut Avenue, N.W., Washington, D.C. 20036, (202) 483-0030.

LRC-W Newsbriefs. An outstanding monthly newsletter about private and public funding opportunities, innovative human service programs, and announcements of helpful publications. Available for \$50 yearly from Lutheran Resources Commission, Ste. 823, Washington, D.C. 20036, (202) 872-0110.

The Rich Get Richer and the Poor Write Proposals by Nancy Mitiguy, of the Citizen Involvement Training Project, University of Mass, 1978. Provides basic information on fundraising from corporations, government, churches, foundations as well as grassroots fundraising. Has comprehensive sections on preparing for fundraising, researching funding opportunities, proposal writing and meeting with grantmakers. Contains a number of

exercises suitable for use by volunteers which help readers to "learn by doing." Available for \$6.50, excluding postage and handling, from VOLUNTEER, P.O. Box 1807, Boulder, Colo. 80306, (303) 447-0492.

#### FEDERAL FUNDING

The Catalog of Federal Domestic Assistance. Contains a summary of all federal grant programs, including who's eligible, how to apply, and deadlines. Published annually in May. Available for \$30 from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Federal Register. Provides a daily record of all rules, regulations, notices of new programs, and other activities of federal agencies. Available for \$300 annually from The Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

#### FOUNDATIONS

The Foundation Directory, 8th Edition, 1981. The basic source for information on major American foundations. Includes descriptions of the largest 3,363 foundations: their giving interests, addresses, telephone numbers, current financial data, names of donors and key officers, and grant application information. A subject index refers the reader directly to those foundations with a history of funding projects in such general areas as education, health, etc. Available for \$45, including postage and handling, from The Foundation Center, 888 Seventh Avenue, N.Y., N.Y. 10106, (212) 975-1120.

Foundation Fundamentals: A Guide for Grantseekers, revised edition, by Carol M. Kurzig, 1981. Offers clear, step-by-step instructions for researching and applying to foundations. Worksheets and checklists are provided to assist in the search for funding, and detailed research examples are included as well. Available in paperback for \$6.50, including postage and handling, from The Foundation Center.

The Foundation Grants Index, 1981. Provides a subject and geographic index to the grants made by over 400 major U.S. foundations. Available for \$30, including postage and handling, from The Foundation Center.

Foundation News published bimonthly by the Council on Foundations. Offers insights into what's being discussed in foundation circles. Each issue includes an update of the Foundation Grants Index. Available for \$24 a year from Foundation News, 1828 L Street, N.W., Washington, D.C. 20036, (202) 466-6512.

The Grantseekers Guide, a publication of the National Network of Grantmakers and The Interreligious Foundation for Community Organization by Jill Shellow, 1981. Provides profiles of foundations and corporations which are receptive to funding social and economic justice projects. Contains brief chapters on approaching grantmakers, organizational accountability, tax exemption and corporate giving. Available for \$7.50, including postage and handling, from The National Network of Grantmakers, 919 North Michigan Avenue, Chicago, Illinois 60611.

National Data Book, 6th Edition, 1982. A two-volume directory which includes all of the 22,000 currently active grant-making foundations. Entries include address, chief principal officer, full fiscal data and whether or not the foundation publishes an annual report. Available for \$45, including postage and handling, from The Foundation Center.

#### CORPORATIONS

Corporate Foundations Profiles, revised edition, 1981. Offers detailed statistical and analytical view of giving patterns of 200 U.S. corporate foundations. Names of foundation officers, directors and staff are included. Indexed by geographic area, subject and type of support. Available for \$50, including postage and handling, from The Foundation Center, 888 Seventh Avenue, N.Y., N.Y. 10106, (212) 975-1120.

Million Dollar Directory. Published annually. Three - volume series includes: Vol. I - corporations with sales of more than \$1 million; Vol. II - mid-sized corporations; Vol. III - corporations having net worth of \$500,000 - \$800,000. Lists names and titles for corporate officers; gives names of board members. Has a geographic index. Volume I - \$245; Volume II - \$215, Volume III - \$215; all three for \$675 from Dun and Bradstreet, 1 Penn Plaza, Suite 4520, New York, N.Y. 10019, (212) 971-6707.

Standard and Poor's Directory of Corporations, Directors and Executives. Published annually. Gives basic data on 37,000 corporations including addresses, phone numbers, names and titles of officers, directors and principals, a brief description of the company's business and its annual sales. A three-volume set is leased for \$245 annually; old sets must be returned to Standard and Poor's, 25 Broadway, New York, N.Y. 10004.

Who's Who in America 42nd Edition. Provides background information on corporate executives and other prominent individuals. Published biennially. The two-volume set is available for \$109.50 plus \$5.00 for shipping and handling from Marquis Academic Media, 200 East Ohio Street, Chicago, Illinois 61611, (312) 787-2008.

Additional bibliographic resources are listed at the end of the chapter called "Looking at Income-Generating Businesses for Small Nonprofit Organizations."

Also, many fine resources on all aspects of grantsmanship and proposal-writing are available at very reasonable prices from The Grantsmanship Center. They may be reached at 1031 S. Grand Avenue, Los Angeles, California 90015; phone (213) 749-4721.

**END**