

## **N558 Fund Development for Nonprofit Organizations**

**Fall 2017**

**Online Delivery Mode**

Instructor: Adrian Sargeant

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### **Overview**

The course (overall) is structured to provide participants with a thorough grounding in the principles and practice of fundraising. It is structured to mirror the process of fundraising management and by the end of the program participants will have developed a fundraising plan for their own, or a case study organization. We provide background to both the nonprofit sector and the concept of philanthropy before moving on to consider the topic of donor behavior, who gives, why they give and how fundraisers can influence that behavior. We then consider fundraising planning, outlining the content of a fundraising audit, how to set fundraising objectives and develop key fundraising strategies such as overall direction, segmentation, positioning

and the delineation of an appropriate case for support. We then consider each major form of fundraising in turn.

The course will provide a distinctive learning experience as it is written to combine the latest academic research and thinking with the very best of professional practice from all over the world. The course will be led by Adrian Sargeant, the former Robert F Hartsook Professor of Fundraising at Indiana University.

## **Tutor Bio**

Professor Adrian Sargeant is arguably the world's foremost fundraising academic, holding a Chair in Fundraising at Plymouth University and directing the Centre for Sustainable Philanthropy. He was formerly the first Hartsook Chair in Fundraising at the Lilly Family School of Philanthropy at Indiana University. He also holds visiting appointments at Avila University and the Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology.

He has received many awards for his services to the profession, notably being named to the prestigious Nonprofit Times Power and Influence List in the United States in 2010. In the UK he received a Civil Society Award for his Outstanding Contribution to Fundraising. In 2016 he received a Lifetime Achievement Award from the Institute of Fundraising.

Professor Sargeant is one of the world's leading authorities on how to achieve growth in philanthropy. In 2011 he ran Growing Philanthropy summits in Washington DC and London drawing together leaders from the nonprofit communities in both countries to discuss the role that the sector itself might play in growing philanthropy. He also helped facilitate a philanthropy summit for the Rockefeller Foundation and the Resource

Alliance in Bellagio, Italy, the primary goal of which was to improve the flow of philanthropy in the development system.

He is a prolific author and educator. He has published 12 books and around 150 peer reviewed academic publications in the domain of individual giving, fundraising and nonprofit marketing. Most recently he has designed new qualification frameworks for fundraising professional bodies across the world. In the UK, for example, he designed the new Certificate/Diploma in Fundraising courses that are now offered by the Institute of Fundraising. He is doing similar work in the United States working with the Association of Fundraising Professions. It is now possible to study for a Diploma in Fundraising Management and an Advanced Diploma which is shared internationally with the Institute of Fundraising in London and the European Fundraising Association.

Professor Sargeant is considered a world class and motivational speaker, regularly delivering plenary presentations in a variety of different international venues. Topics include donor retention/loyalty, philanthropic psychology, bequest giving and digital fundraising. He works now on both sides of the Atlantic having become a naturalized American citizen in November 2013.

## **Learning Outcomes**

This course aims to enable participants to understand and critically evaluate how the nonprofit sector solicits funds from individual, corporate and foundation donors.

## **Subject Specific Skills**

Upon completion of the course a participant will typically be able to:

- a) Apply a wide range of tools, models and frameworks to solve practical fundraising problems
- b) Analyze and evaluate the fundraising strategy adopted by particular nonprofit organizations and suggest improvements to individual, corporate and foundation fundraising practice
- c) Synthesize and apply the latest research and thinking in fundraising to inform and improve professional practice
- d) Write a fundraising plan for a charity or other nonprofit organization
- e) Analyze and evaluate the legal and ethical implications of various forms of professional practice
- f) Understand and implement the AFP Codes of Professional Conduct
- g) Manage and develop fundraising teams
- h) Analyze and reflect upon and develop their individual professional practice

## **Knowledge and Understanding**

Upon completion of the course a participant will typically have a comprehensive and critical knowledge and understanding of:

- a) Current research based knowledge at the forefront of the fundraising discipline.
- b) The role of both the marketing philosophy and function in facilitating the solicitation of funds from a wide range of potential funders
- c) The nature and process of fundraising strategy development, both in relation to the solicitation of new donors and the retention and development of existing donors
- d) The nature and impact that external and internal factors have on the design and implementation of fundraising strategy
- e) Fundraising Codes of Professional Practice

## **Cognitive and Intellectual Skills**

Upon completion of the course a participant will typically be able to:

- a) Apply a disciplined approach to the analysis of various complex fundraising problems and their resolution through the selective and appropriate use of tools for analysis and strategy formulation
- b) Make selective and critical use of academic material for the examination of complex marketing issues
- c) Use a range of theoretical models and frameworks to critically evaluate both strategic and tactical options

## **Other Transferable Skills**

Upon completion of the course participants will typically be able to:

- a) Communicate ideas and arguments in a clear and logical manner to an academic or professional audience
- b) Undertake independent and self directed study
- c) Draw from and make selective use of published material with minimum guidance
- d) Manage and develop teams

## **Detailed Syllabus**

### **Introduction to fundraising and donor behavior**

Introduction to the Nonprofit Sector: Scale, scope and role of the sector, organizational forms, categories of nonprofit, tax code - 501(c) status, requirements for 501(c)3 status, sources of nonprofit income, trends in nonprofit income, U.S. nonprofits and philanthropy in the global context.

Introduction to Philanthropy: The definition and role of philanthropy in the nonprofit sector, major academic disciplines informing the understanding of philanthropy, individual fundraiser's personal philanthropic philosophy.

Introduction to Fundraising: The fundraising cycle, the development process, categories of campaign (annual fund, capital campaign, planned giving), categories of funder/donor, variety of forms of support.

Ethics and Best Practice: Fundraising ethics: ethical frameworks, codes of conduct, ethical and values based decision making, ethical policies and processes for their development. AFP - Code of Ethical Principles and Standards, Donor Bill of Rights, Independent Sector Code of Ethics. Common ethical dilemmas in fundraising. Specialized organizations promoting ethics in fundraising.

Understanding Individual Giving: Demographic, attitudinal and lifestyle characteristics of donors, forms of giving, motives for individual giving, content and process models of giving behavior (e.g. Sargeant and Woodliffe 2007, Bendapudi and Singh 1996), barriers to giving, individual and family decision making. Group and environmental influences on behavior. Emergent discipline of philanthropic psychology.

## **Fundraising Planning**

Fundraising Audit: Purpose of a fundraising audit, structure and content. Principles of marketing research, secondary versus primary data, internal and external sources of secondary data, qualitative/quantitative research methods. External fundraising audit: PEST Analysis, competitor analysis, collaborative analysis, supporter/stakeholder analysis. Internal fundraising audit: product/service lifecycle, nonprofit portfolio analysis, interpretation of simple fundraising metrics. SWOT Analysis: strengths, weaknesses, opportunities and threats analysis, methods of prioritizing factors, interpretation of findings.

Fundraising Planning: Fundraising objectives: importance of SMART objectives, objective setting, categories of fundraising objective. Fundraising strategy: overall direction, segmentation, positioning, case for support. Fundraising tactics – advantages, disadvantages and best practice in relation to each key form of fundraising (developed in subsequent units below). Developing a fundraising budget, methods of budget setting, categories of costs. Monitoring/Evaluation: importance of fundraising metrics, interpretation and use of key metrics, e.g. renewal rates (both first-year and multi-year), response rates, acquisition cost per donor, conversion rates, ROI.

Donor Retention: Supporter Loyalty: Definition of loyalty, degrees and types of loyalty, the value of loyalty to a nonprofit, concept of donor lifetime value, loyalty ladder/frameworks. Drivers of Loyalty: key reasons for volunteer and donor attrition.

## **Direct Response Fundraising**

Direct Response Fundraising:. Direct response planning: recruitment/development objective setting, profiling, segmentation, targeting, media selection and planning, schedule, budget, responsibilities, monitoring and control. Testing: purpose and value, what to test, what not to test and how. Fundraising media: direct mail, list swop mailings, unaddressed mail, telefundraising, online, face-to-face, television (DRTV), print, media inserts, and best practice in relation to each.

Digital Fundraising: Changing demographics of Internet use, trends in online fundraising. Digital Communications Mix: Search Engine Optimization, Online Advertising, Opt In E-mail, Social Media, Online Public Relations, Viral Marketing. Website optimization, Google analytics, Key digital metrics, options available for online payment systems.

## **Major and Planned Giving**

Major Gift Fundraising: Principles of prospect research, sources of secondary data (print and electronic), sources of potential major gift prospects, procedures for prospect qualification and prioritization, gift range charts, selection of appropriate cultivation, solicitation and stewardship methods, principles of effective communication and presentations. Institutional readiness, systems and processes to support major gift fundraising, role of Board support and involvement, importance of liaison with other fundraising functions and the service provision team, identification of appropriate recognition and stewardship opportunities, consideration of return on investment and timeframe for the generation of appropriate returns.

Bequest and Planned Giving: Institutional readiness. Engaging board support and expectations regarding longer-term payoff for planned giving. Forms of planned giving,



current trends and issues in planned giving, planned giving behavior, generic motives for giving, specific motives for bequest giving, barriers to bequest giving. Bequest solicitation methods: direct marketing, Internet, personal solicitation, events/presentations. Stewardship: importance of donor recognition and care, design and implementation of donor care programs.

## **Institutional Fundraising**

Corporate Fundraising: Forms of corporate support and best practice in relation to each: cash donations, gifts in kind, loan of executives, staff fundraising, charity of the year, cause-related marketing and sponsorship. Current trends and issues in relation to each. Organizational giving behavior: organizational decision-making, role of decision-making unit, common decision-making units. Criteria used to evaluate potential partners, common pitfalls. Selection of appropriate solicitation methods, principles of proposal writing, budgeting/costing a proposal. Relationship development, criteria used to evaluate business-nonprofit relationships, role of service quality, service quality management.

Foundation Fundraising: Sources of grant income: categories of funding and grant making foundations, operation of foundations. Patterns and trends in foundation funding. Identification of need appropriate for grant support: difference between restricted and unrestricted funds, importance of unrestricted funds, costing of proposals, direct and indirect costs, derivation of likely impacts/outcomes from project. The fundraising cycle, objective setting, selection of appropriate funding sources, relevance of multiple grant funders, segmentation, targeting, solicitation tactics, principles of proposal writing, free-form and formal application forms. Reporting requirements, role of feedback and other factors in relationship building. Criteria used to evaluate grant proposals, common pitfalls.

## **Fundraising Management**

Public reporting of fundraising cost. Stewardship and development of the public trust. Factors driving trust in both an organization and the sector at large. Wider role of the fundraiser is stewarding the philanthropy of a nation.

Characteristics of outstanding fundraising campaigns. Factors that senior fundraisers have to manage to ensure success. Role of teams, culture and structure. Organizational learning culture and how to foster. Patterns of thinking in solving fundraising problems. Critical hermeneutics. Systems theory and systematic decision making.

## **Teaching and Learning Methods:**

A range of teaching and learning methods will be employed including, readings, lectures (available as files available for download in the resources section) and online discussions. The materials include a number of exercises designed to allow participants to apply the frameworks/models introduced in the course to specific case study examples. Participants will also be encouraged to find creative solutions to current fundraising issues and concerns and to develop fundraising strategies/tactics for their own organizations.

## **Essential Reading**

Sargeant A. and Shang, J. (2017) Fundraising: Principles and Practice, 2<sup>nd</sup> edition, Wiley, New York.

## **Highly Recommended Reading**

Burnett K (2002) Relationship Fundraising, Jossey Bass, San Francisco.

Daw, J. (2006) Cause Marketing for Nonprofits: Partner for Purpose, Passion and Profits, John Wiley & Sons Inc, San Francisco, CA.

Hart T (2006) Finding Big Gifts in Your Database and Online, Wiley, Hoboken, NJ.

Hogan C (2007) Prospect Research: A Primer For Growing Nonprofits, 2<sup>nd</sup> Edition, Jones and Bartlett, Sudbury, MA.

Sargeant A (2010) Marketing Management for Nonprofit Organizations, Oxford University Press, Oxford, UK.

Smith G (1996) Asking Properly, White Lion Press, London.

Sprinkel-Grace K (2005) Beyond Fundraising: New Strategies For Nonprofit Innovation and Investment, Wiley, Hoboken, NJ.

The Foundation Center (2005) The Foundation Center's Guide to Proposal Writing (4th Edition). The Foundation Center.

Wymer, W., Knowles, P and Gomes R (2006) Nonprofit Marketing: Marketing Management for Charitable and Nongovernmental Organizations, Sage, Thousand Oaks, CA.

## **Trade Press/Key Academic Journals**

Nonprofit Times

Chronicle of Philanthropy

International Journal of Nonprofit and Voluntary Sector Marketing

Journal of Nonprofit and Public Sector Marketing

Nonprofit and Voluntary Sector Quarterly

Nonprofit Management and Leadership

Voluntas

## **Key Websites**

The primary website for this class will be [www.studyfundraising.info](http://www.studyfundraising.info) The site contains additional article downloads, links to other relevant web resources, summaries of course topics and a series of multiple choice 'self-tests.' It is designed to form an academic hub for all things fundraising.

It would also be worth visiting the Nonprofit Times website on a regular basis (or accepting their RSS feed) to keep up to speed with fundraising news and innovations in

the U.S. The Nonprofit Times tends to carry more fundraising news than other media specializing in our sector. It can be found at <http://www.nptimes.com/>

Finally, I would recommend [www.fundraising.co.uk](http://www.fundraising.co.uk). Although this is a UK site it is now widely regarded as THE hub for practitioner information and ideas. It too has an RSS feed – and a helpful newsletter that users can sign up for. The blogs are first rate.

## **Engaging With Our Centre**

If you would like to follow the work of our Centre there are several ways of doing so

We have an interesting blog site which various members of our team and wider fundraising experts contribute to, which can be found at: <http://blogs.plymouth.ac.uk/criticalfundraising/>

I don't have a specific blog at the moment, but you are welcome to sign up for [our centre](#) newsletter, which we will be launching soon. You can do so here: <http://plymouth.us11.list-manage1.com/subscribe?u=5d0b7906120127e8c0cf2b247&id=8d75878349>

You can also follow the work of our fundraising think tank – Rogare (Latin for ask) – on Twitter at @RogareFTT

And finally you can interact in discussions with our team on the Facebook group – Critical Fundraising. Email me if you would like to join and I will gladly give you access.

## Course Schedule

| Week | Date | Content  | Assignment                      | Sargeant & Shang |
|------|------|--|---------------------------------|------------------|
| 1    |      | Introduction to Philanthropy, Fundraising and Fundraising Ethics |                                 | 1-3              |
| 2    |      | Donor Behaviour  |                                 | 4-5              |
| 3    |      | Fundraising Planning – The Fundraising Audit                     |                                 | 6                |
| 4    |      | Fundraising Planning   |                                 | 7 and 9          |
| 5    |      | Direct Response – Acquisition Planning                           |                                 | 10               |
| 6    |      | Creating the Fundraising Offer                                   |                                 | 8                |
| 7    |      | Digital Fundraising  | 1. Fundraising Audit            | 11 and 12        |
| 8    |      | Donor Retention and Loyalty                                      |                                 | 13               |
| 9    |      | Bequests and Planned Giving                                      | 2. Case for Support (Chapter 8) | 15-16            |
| 10   |      | Major Gift Fundraising   |                                 | 14               |
| 11   |      | Corporate Fundraising  |                                 | 17               |
| 12   |      | Foundation Fundraising   | 3. Fundraising plan             | 18               |
| 13   |      | Public Trust and Confidence                                      |                                 | 22               |
| 14   |      | Massive Fundraising !  |                                 | 20-21            |

## Course Assessment (N558)

The course this semester will be assessed through a combination of coursework and class participation. The overall grade will be calculated as follows:

| Assignment                 | % of Final Grade |
|----------------------------|------------------|
| 1. Fundraising Audit       | 30               |
| 2. Communications Critique | 15               |
| 3. Class Participation     | 15               |
| 4. Fundraising Plan        | 40               |
| TOTAL                      | 100              |

Full details of each assignment, including the grading criteria are provided in the assignments section of Canvas. Assignments will be graded on the following scale.

### Grading Scale:

|    |            |    |          |
|----|------------|----|----------|
| A+ | 97 – 100%  | C+ | 77 – 79% |
| A  | 94 – 96%   | C  | 74 – 76% |
| A- | 90 – 93%   | C- | 70 – 73% |
| B+ | 87 - 89%   | D+ | 67 – 69% |
| B  | 84 - 86%   | D  | 64 – 66% |
| B- | 80 - 83%   | D- | 60 – 63% |
| F  | 60 & below |    |          |

## **Late Assignments**

Late assignments may be subject to a one letter grade penalty for each day they are late. You will have plenty of notice about when assignments are due and unless there are exceptional circumstances they should be delivered on time. If you are likely to have any difficulty in meeting a 'hand-in' date, please contact me by e-mail.

## **Tutor Contact**

Appointments can be made to discuss course issues by e-mail on [Adrian.sargeant@plymouth.ac.uk](mailto:Adrian.sargeant@plymouth.ac.uk) . I do not keep formal office hours, but I will do my utmost to talk to you on a convenient day/time. Getting access will not be a problem. You are welcome to Skype me (whenever you see that I'm online) or e-mail your questions.

## **Access and Equal Opportunities**

It is my view that learning experiences should be welcoming to all individuals regardless of race, religion, gender, sexual orientation or disability. Racist, sexist and other discriminatory behaviour is not acceptable and positive action to combat such behaviour will be taken. Offenders may be barred from further participation.



## **SPEA Academic Policies**

### **Academic Dishonesty**

SPEA faculty do not tolerate cheating, plagiarism, or any other form of academic dishonesty. If you have not done so, you should read the *IUB Code of Student Rights, Responsibilities, and Conduct*, which can be accessed at <http://www.iu.edu/~code/code/index.shtml> so you will be sure to understand what these terms mean and what penalties can be issued for academic dishonesty. Academic dishonesty can result in a grade of F for the class (an F for academic dishonesty cannot be removed from the transcript). Significant violations of the Code can result in expulsion from the University.

Plagiarism is using another person's words, ideas, artistic creations, or other intellectual property without giving proper credit. According to the *Code of Student Rights, Responsibilities, and Conduct*, a student must give credit to the work of another person when he/she does any of the following:

- a. Quotes another person's actual words, either oral or written;
- b. Paraphrases another person's words, either oral or written;
- c. Uses another person's idea, opinion, or theory; or
- d. Borrows facts, statistics, or other illustrative material, unless the information is common knowledge.

### **Civility**

Civility is important in an academic community to ensure that all parties—students, staff, and faculty—are working in an environment that fosters achievement of the individual's and community's goals and objectives. Civility requires all parties to demonstrate personal integrity and conduct themselves in a manner that shows respect, courtesy and tolerance to others. Examples of discourteous behaviors during class include reading the newspaper, listening to headphones, talking or laughing with others, chronically arriving late, and so forth. These behaviors are distracting to the instructor and classmates, and SPEA faculty will address these problems as they

arise. Maintaining and fostering civility inside and outside the classroom is especially important to SPEA, which is a professional school.

Pursuant to the Indiana University Student Code of Conduct, disorderly conduct which interferes with teaching, research, administration, or other university or university-authorized activity will not be tolerated and will be immediately reported to the Office of The Dean of Students for appropriate disposition which may result in disciplinary action including possible suspension and/or expulsion from the university.

### **Communication between Faculty and Students**

In order to verify the identity of all parties involved, effective September 1, 2004, all email communication from current SPEA students to SPEA staff must originate from an Indiana University email account. For email communication with SPEA faculty, current SPEA students should refer to course syllabi for instructors' preferences (Canvas, Webmail, etc.). This policy applies to current students only. Instructions for forwarding your IUB email to another account can be found at:

<http://kb.indiana.edu/data/beoj.html?cust=687481.87815.30>

### **Course Withdrawals**

Students who stop attending class without properly withdrawing from the class may receive a grade of F. It is important to withdraw from a course within specified timeframes (see chart below). Note that withdrawals after Week 12 of a regular session or Week 4 of a summer session are rarely granted. **Poor performance in a course is not grounds for a late withdrawal.**

No withdrawal forms will be processed in the Office of the Registrar after the last day of classes. Any requests for a late withdrawal after the last day of classes must go through the

### **SPEA Academic Policies (continued)**

grade appeal process, but each student should remember that in accordance with campus

policy, SPEA does not permit a student to withdraw from a course if he/she has completed the course requirements. Grade replacement should be used in this case. To withdraw, obtain a withdrawal slip (DROP/ADD Form) from the SPEA Student Services window. Instructions for completing it are given on the form.

| Withdrawal Deadlines  |  |
|---|--|
| Course deleted from record, no grade assigned,<br>100% refund<br>(Advisor signature <b>IS NOT</b> required) | Week 1 (last day)  |
| Withdrawal with automatic <u>grade of W</u><br>(Advisor signature <b>IS</b> required)                       | Week 2– Week 7 (regular session)<br>Week 2 – Week 3 (summer session)   |
| Withdrawal with <u>grade of W or F</u><br>(Advisor and instructor signatures <b>ARE</b> required)           | Week 8 – Week 12 (regular session)<br>Week 3 – Week 4 (summer session) |

### Incompletes

A grade of incomplete (I) indicates that a 'substantial portion' of the work in a course has been satisfactorily but not entirely completed by the student as of the end of the semester. The incomplete can be given to a student facing a hardship such that such that it would be unjust to hold the student to the established time limits for completing the work. To be eligible for the incomplete in a SPEA course, the student's work must be of passing quality, and the student must have completed 75% of the course requirements. **Poor performance in a course is not grounds for an incomplete.** SPEA follows the campus guidelines in awarding incompletes which may be accessed at the Office of the Registrar's website at:

[http://registrar.indiana.edu/stu\\_grades.shtml](http://registrar.indiana.edu/stu_grades.shtml)

Incompletes must be removed within a time period not to exceed one year after the semester in which the student was enrolled in the course. The incomplete will revert to an 'F' if the work is not completed within the allotted timeframe established by the instructor.

### **Students Called to Active Duty**

SPEA encourages any student who is in the Indiana Military Reserves and is called to active duty to finish his/her coursework if at all possible. Students who cannot complete their courses have the option of withdrawing with 100% fee refund, but this request must be made within one week of being called to active duty. Students who are called to active duty may qualify for an incomplete (provided that all the above criteria have been met). For further information, please see the Office of the Registrar's website at:

[http://registrar.indiana.edu/stu\\_infopoli.shtml](http://registrar.indiana.edu/stu_infopoli.shtml)

### **Final Exam Schedule**

If a final exam is given, it must be held on the day and time set in the final exam schedule. If an instructor has changed the final exam date, the student should first consult with the instructor. Students who have more than three final exams in one day or insufficient time to get from one exam to another should consult with their instructors to resolve these conflicts. Exams may not be given in the week before the final exam week. If a student is not able to resolve a final exam problem with the instructor, the student may report the problem to the Director of Undergraduate or Graduate programs. The final exam week schedule can be found at the Office of the Registrar's website at:

[http://registrar.indiana.edu/stu\\_calsche.shtml](http://registrar.indiana.edu/stu_calsche.shtml)