



OVERHEAD CONVERSATIONS MADE EASY

MCN Fundraising
Conference
July 25, 2019

YOUR PRESENTERS

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DONOR CONFIDENCE?

Gallup and Wellcome Poll

1 in 3 people worldwide lack confidence in charities

52% expressed confidence worldwide with slightly better confidence (60%) in North America

The confidence of the top 10 countries range from 69 – 79%

<https://bit.ly/2y4Kl4v>

Guidestar, BBB Wise Alliance, Charity Navigator

62% of Americans believe charities spend more than they should on overhead

www.overheadmyth.com



WHO IS IN THE ROOM? |

DONOR INQUIRIES

Phone

Friends

Word of Mouth

Guidestar/Candid

Annual Report

Charity Navigator

Website

Clients / Constituencies

Social Media

990

Charities Review Council

Attorney General's Office



HOW MUCH DO YOU SPEND ON FUNDRAISING?

Role playing exercise with
a partner for 7 minutes.



HOW DID YOU ANSWER
THE QUESTION?

Overhead
(management/fundraising)
Do you know your overhead
costs?

Use of Funds

PHILOSOPHY

Strong nonprofits strive to efficiently and effectively use funds to achieve their mission while investing in infrastructure, administrative capacity, and the communities they serve.

The Council recognizes that the optimal balance point between program, administrative, and fundraising expenses will be different for every nonprofit.

STANDARD

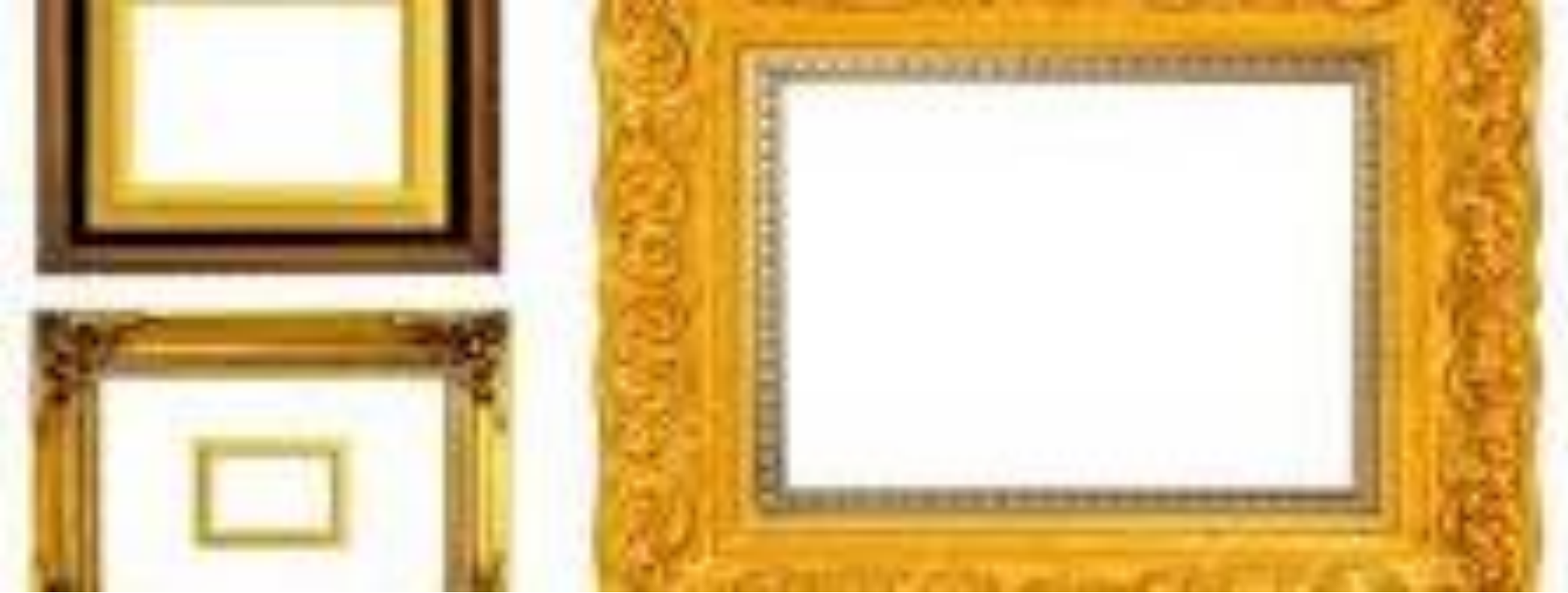
65% or more of the nonprofit's three-year average annual expenses will be used to directly support programming. The Board of Directors will monitor this ratio and make adjustments to achieve the optimal balance for their organization.

65-70% – Meets Standard, provides an explanation

70-90% – Meets Standard, no explanation needed

90-100% – Meets Standard, provides an explanation

ACCOUNTABILITY STANDARDS



REFRAMING THE QUESTION



FOLLOW-UP QUESTIONS

- What do you need to know to feel confident giving to this organization?
- When you ask about the cost of fundraising (overhead, management) what are you hoping to learn?
- Can I tell you how the money we spend supports our ability to respond to continuing changes in community needs?
- This is a good question, but more important are the outcomes of our programs...are you familiar with those?

TELLING YOUR STORY

Who tells your story?

- Staff, Clients/Constituents, Board, Donors, Foundations/Corporations

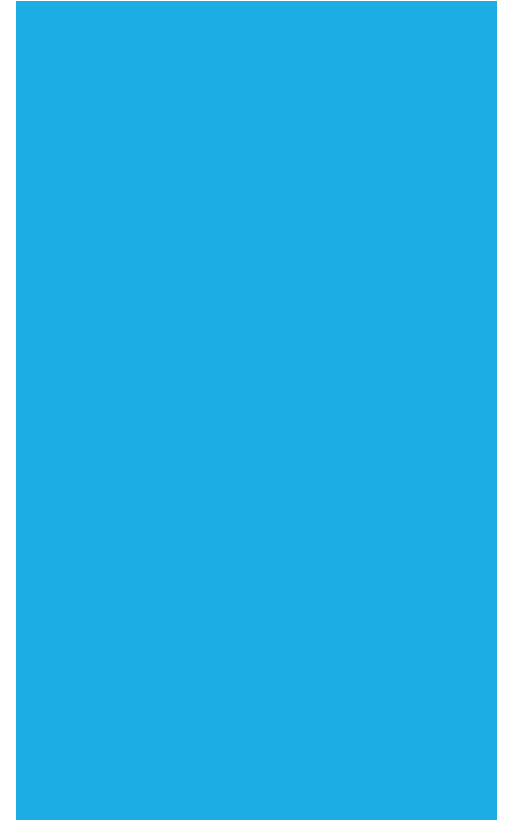
What needs to be included?

- Mission Statement
- Who and geographic area of service
- Organization history
- Key impact measures
- Diversity, Equity & Inclusion statement

**** MAKE IT EASY TO CONTACT YOU ****

STORYTELLING ELEMENTS

- **Relatable**
- **Relevant**
- **Emotional**
- **Engaging**



ACCOUNTABILITY STANDARDS - IMPACT

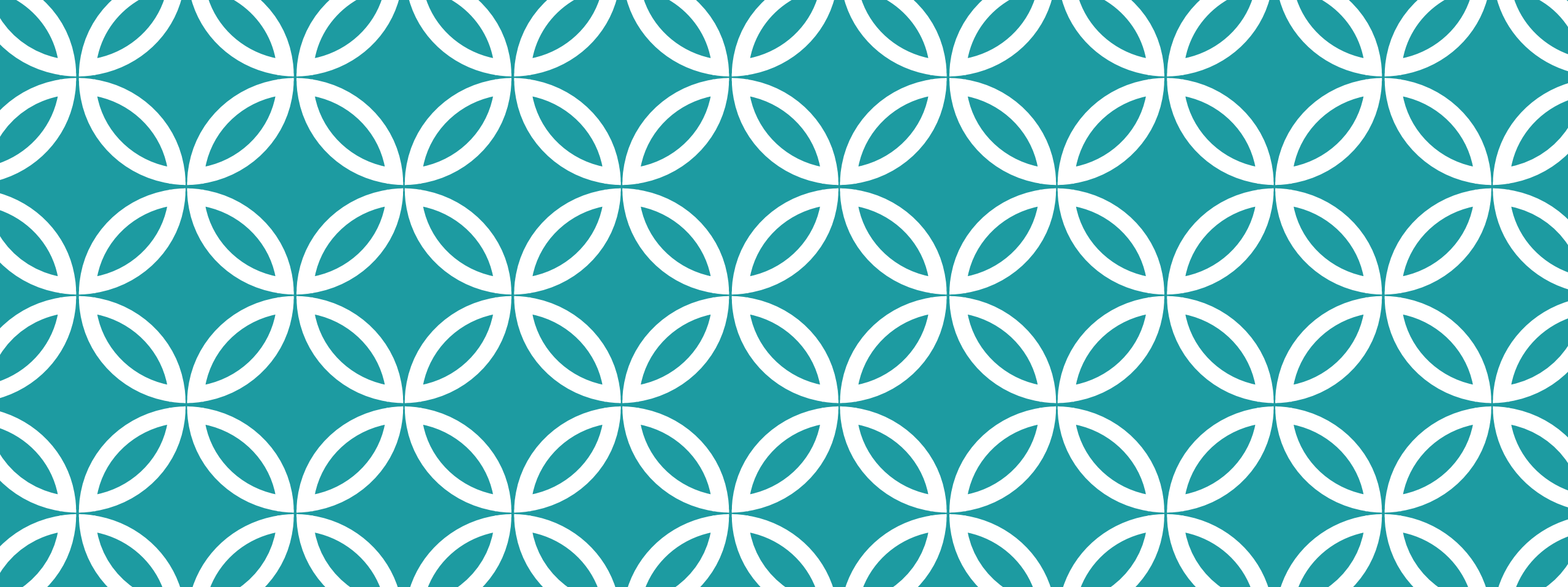
Impact on the Community

PHILOSOPHY

By evaluating program goals and measuring progress toward achieving stated goals, donors can determine how well a nonprofit's goals and objectives align with their giving philosophy.

STANDARD

The nonprofit will make available its accomplishments from the previous year and goals for the current year in alignment with its mission and community impact.

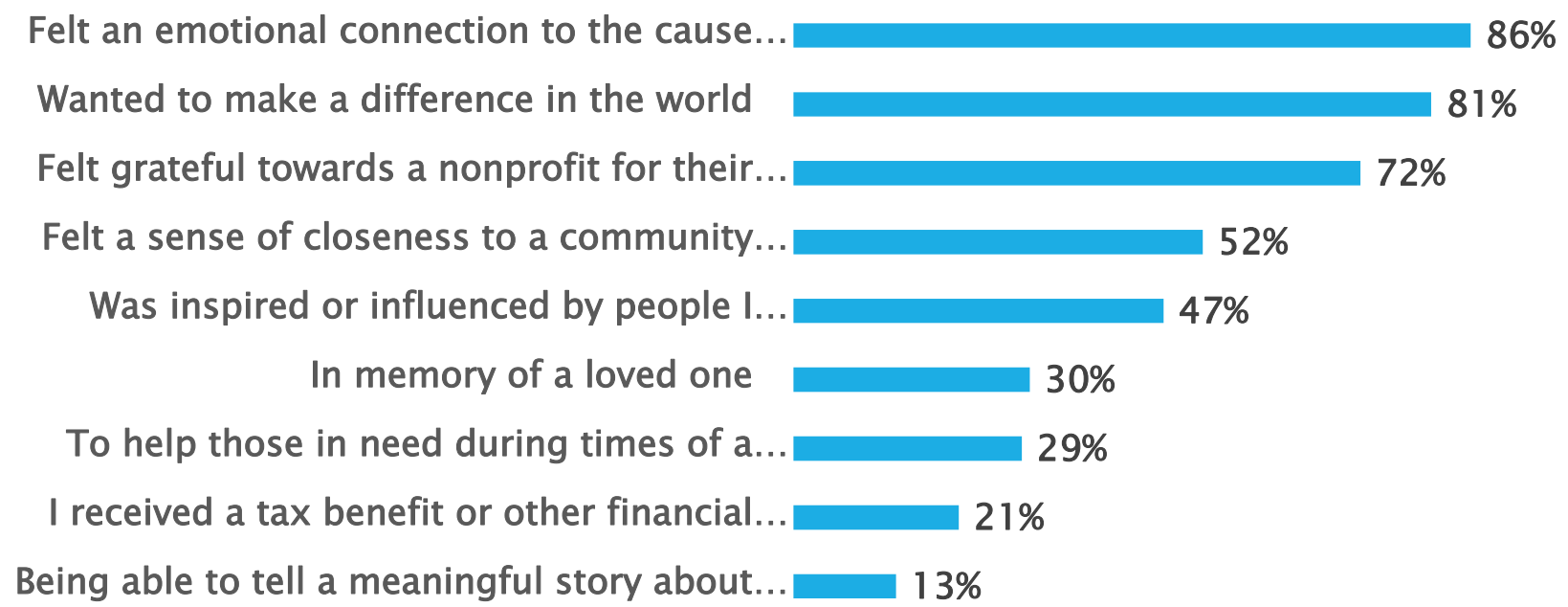


2019 CHARITIES REVIEW COUNCIL DONOR SURVEY

HIGHLIGHTS

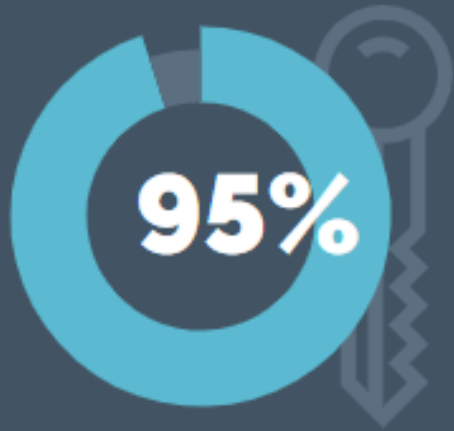
WHAT DONORS CARE ABOUT

Please indicate the reasons, if any, you chose to donate to a nonprofit organization. Check all that apply. (n=206)



TRANSPARENCY

- Website with clear mission statement
- Active social media presence
- Published financial reports
- Published impact



Stable Housing

95% of residents maintained stable housing for 24 months or more.



Long-Term Jobs

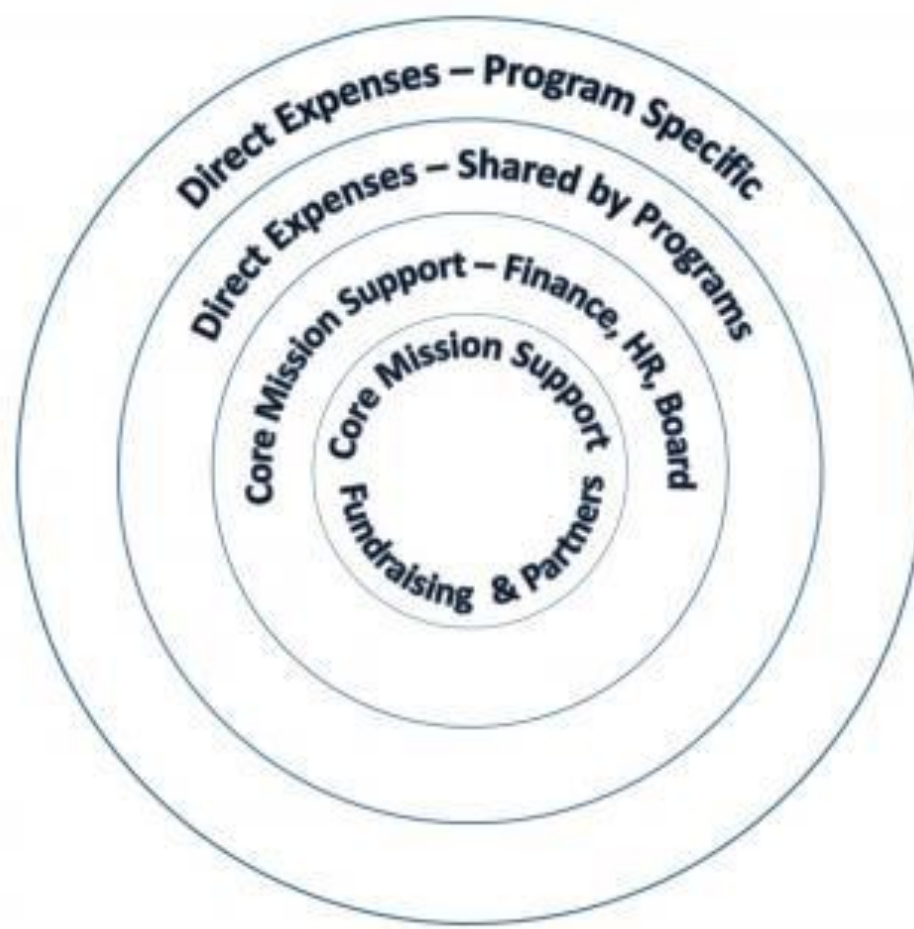
86% of those placed in jobs retained their employment for 12 months or more.

3x income growth

On average, Career Readiness graduates who are hired experience a 3x growth in their income.

PPL - TRANSPARENCY IN ACTION

Postcard – Infographic that can be shared with donors and community.



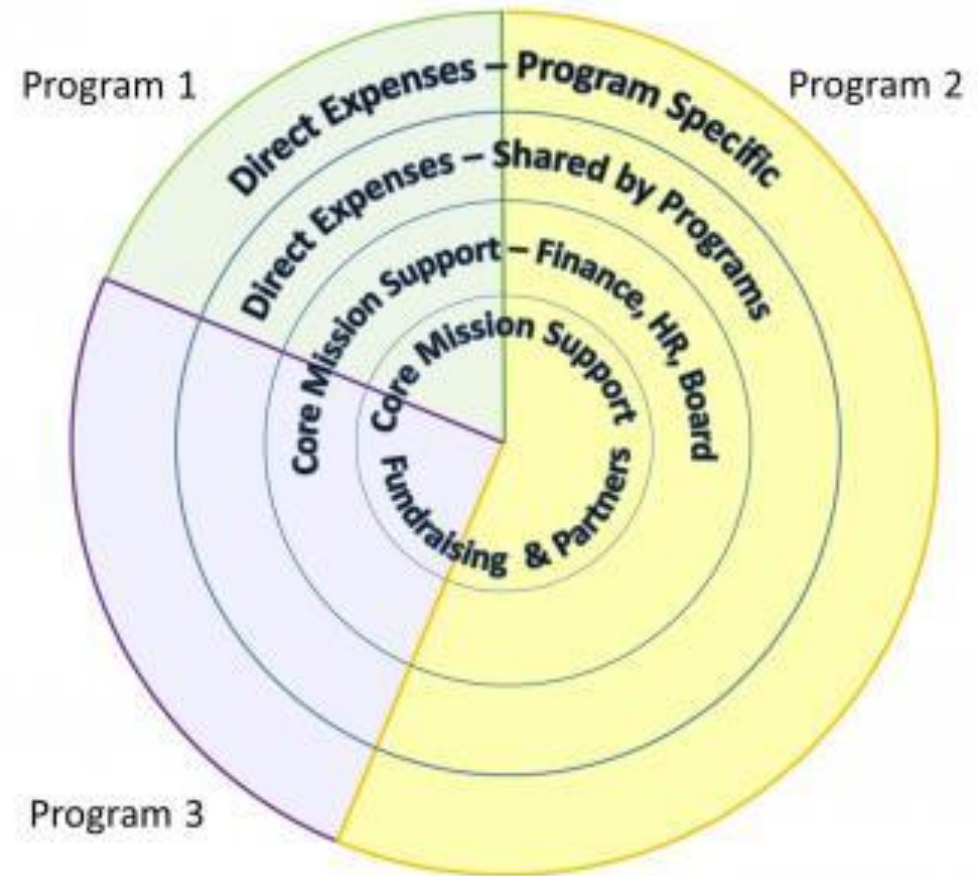
CORE MISSION SUPPORT

Facets of what's included
in core mission support

TRUE PROGRAM COST

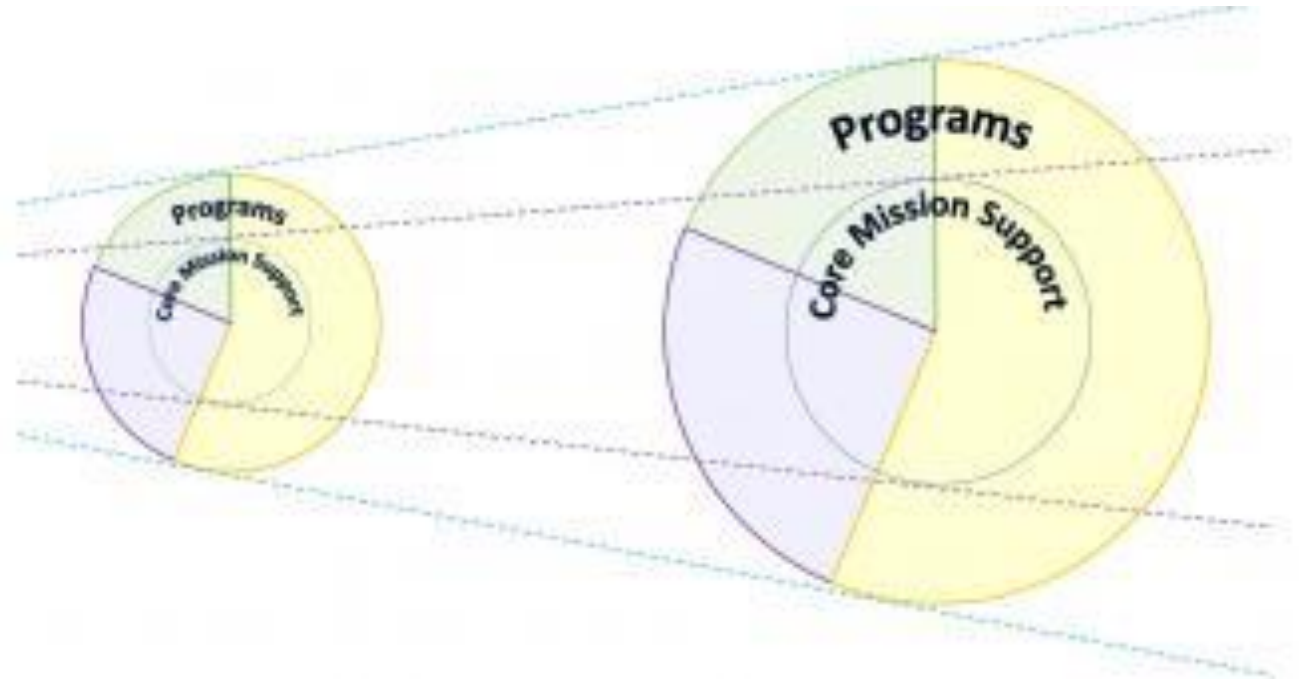
Fully funded programs

<https://www.propelnonprofits.org/blog/a-graphic-re-visioning-of-nonprofit-overhead/>



GROWING

Growth of core mission support allows for organization's overall growth.

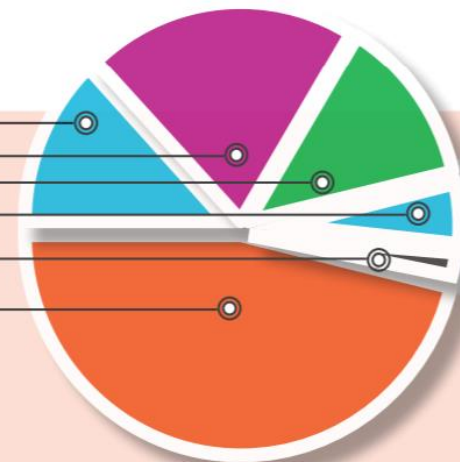


CORE MISSION SUPPORT - COMPAS

Financials

FY 2018 Revenue

Individual Donations	\$174,448
Foundation & Corporate Support	\$248,895
Government Support	\$207,753
Special Events	\$41,186
In-kind Contributions	\$3,768
Other Revenue	\$4,892
Program Service Fees	\$629,997



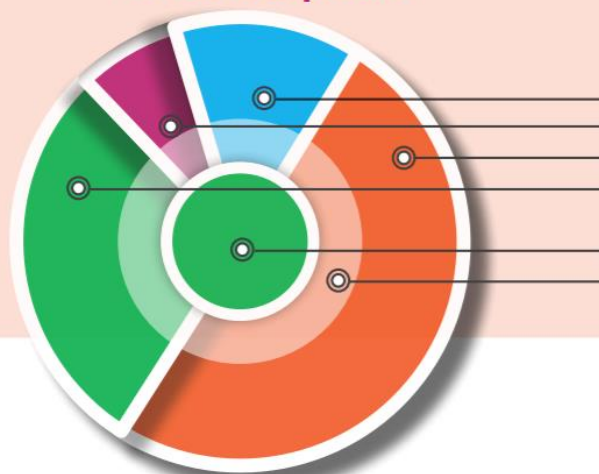
FY 2018 Expenses

Program

Artful Aging™ & Arts in Healthcare	\$149,934
Art Awareness	\$59,988
Creative Classroom	\$516,649
Creative Community	\$337,351

Core Mission Support

Management & Governance	\$142,792
Partnerships & Fundraising	\$181,203





HOW MUCH DO YOU SPEND ON FUNDRAISING?

Use the tips you've learned today to reshape the answer.



Q & A |

RESOURCES

Overhead Myth (www.overheadmyth.com)

Gallup Survey (<https://bit.ly/2y4KI4v>)

Accountability Standards
(www.smartgivers.org/accountabilitystandards)

Core Mission Support
(<https://www.propelnonprofits.org/blog/a-graphic-re-visioning-of-nonprofit-overhead/>)

THANK YOU!