



# JOHN GLENN

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## SCHOOL OF PUBLIC AFFAIRS

Spring Semester 2013

**The Dynamics of Development:**

**Fundraising & Philanthropy, PA 5590**

**Mondays, 5:30-8:10 pm, Hagerty Hall, Room 056**

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**Office Hours:** By appointment

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### **Course Description**

Private contributions from individual donors, foundations and corporations are a critical piece of the revenue generation strategy for nonprofit and public organizations. However, many organizations lack the resources or expertise to most effectively leverage this revenue stream, and many foundations and donors struggle to optimize their giving strategies.

This course is designed to introduce students to development and fundraising strategies, processes and systems. The skills and knowledge in this course have broad applicability to those interested in working in or with nonprofit organizations, public organizations, universities, nonprofit foundations and/or corporate foundations. The course will utilize a combination applied theories and methods, guest speakers and readings to deliver the core content. In addition, during the course students will have the opportunity to apply what they have learned by working with the staff and leadership of a local nonprofit to create a comprehensive development plan.

### **Course Objectives**

By the end of the course, students will:

1. Understand the role of fundraising within an organization as a key component of an overall revenue generation strategy;
2. Identify different components of a comprehensive development program, including annual fund-raising, planned giving, capital campaigns, special events and major gifts;
3. Develop skills to engage in donor relations and donor strategy development, from initial prospecting to gift closure;
4. Be familiar with the ethical responsibilities associated with fundraising, as well as legal and tax implications for both organizations and donors; and
5. Apply what they have learned by working with a local nonprofit organization to develop a comprehensive development plan that uses a variety of tools and techniques.

## Reading Materials

### Required Text\*:

1. Tempel, Eugene R. and Seiler, Timothy R. (2010). *Achieving Excellence in Fund Raising*. 3rd Edition. San Francisco: Jossey-Bass.

### Supplemental Texts:

2. Burk, Penelope. (2003). *Donor Centered Fundraising*. US Edition. Chicago: Burk & Associates, LTD./Cygnus Applied Research, Inc.
3. Nichols, Judith. (2003). *Pinpointing Affluence in the 21<sup>st</sup> Century*. Lanham, MD: Taylor Trade Publishing.
4. Greenfield, James M. (2002). *Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*. Hoboken, NJ: Wiley & Sons.

\*Additional assigned readings for each class will be available online, through Carmen.

## Grade Distribution

The primary deliverable in this course is the preparation of a Development Plan for a local nonprofit organization. While the final Development Plan will be a group product (with a group grade), each group member will be assigned one component as their primary focus during the course and will receive an individual grade for that component.

Course grades will be assigned based upon the following distribution:

	Percent of Final Grade
<b>Development Plan</b>	<b>65%</b>
First Draft Component (Individual)	20%
Draft Funding Analysis Matrix & Executive Summary (Group)	20%
Final (Revised) Development Plan- All Parts (Group)	10%
Presentation of Development Plan (Group)	15%
<b>In-Class Activities &amp; Participation</b>	
Fundraising Effectiveness Project Activity (Individual)	10% <b>35%</b>
Participation and Discussion (Individual)	20%
Attendance at AFP education activity	5%

## Graded Components

### *Development Plan:*

Students will work in teams (of four to six members) on a “consulting” project to create a Development Plan for a local nonprofit organization (selected by the instructor prior to the start of the quarter). The projects are to be fully integrated into the course; we will use these projects as dynamic case studies to link theory with practice during course discussions and workshops. Students will be required to meet with clients (participating organizations) as needed during the quarter but are not expected to spend regular hours at the client’s office (this is not an

internship or practicum). As “professional consultants”, students should spend an appropriate amount of time as needed to gather information to complete the project.

Describe each deliverable here, including individual components, funding analysis matrix, executive summary, final plan, and presentation of plan:

*First Draft Component:*

General course work will introduce the students to the elements of a development plan, and a model format. Based on in-class discussions and ancillary research, each student will be assigned to draft a specific segment of the development plan for their respective agency. For his/her component, students will provide a written synopsis of the agency’s current funding efforts and offer fund-raising objectives, strategies, methodologies, and measurements for his/her component. Competency in understanding and evaluating current and future funding needs, and establishing bench marks of measurement, is a fundamental development skill and will be counted as 20 percent of the grade.

*Draft Analysis Matrix & Executive Summary:*

A solid development plan must have as its base a matrix that looks at historical giving data and projects what future income might be, based on trend lines. Using actual data from their assigned agencies, students will look at actual funding components, recommend additional revenue streams, and develop a comparative matrix for 2012 and 2013 revenues. An Executive Summary that briefly outlines the rationale for each revenue stream and an overview of agency strengths and weaknesses should serve as the narrative for the matrix. This portion of course work will serve as the linkage for other segments of the development plan and will account for 20 percent of students’ grade.

*Final Development Plan:*

The final plan will incorporate instructor edits and group input and serve as a cohesive document that speaks with one “voice.” The final plan will be worth 10 percent of each student’s grade.

*Group Presentations of Development Plans:*

The ability to logically and dynamically outline a plan of campaign is a critical skill. Well-articulated passion for a mission is as important as sound statistical analysis. Both contribute equally to audience buy-in. Each student will be given an opportunity to present his/her component of the development plan, but the presentation overall should be seamless. This portion of the course work will account for 15 percent of the overall grade.

*Fundraising Effectiveness Project (FEP):*

Developed by a national task force led in part by the Association of Fundraising Professionals (AFP), the FEP provides nonprofit development directors and CEOs with a frame work for developing and using metrics to analyze the overall year-to-year performance of the development office. Looking at the bottom line may not tell the whole story. Building a

sustainable development program involves acquiring AND retaining donors. This requires a knowledge of gains and losses in giving and numbers of donors. Students will be receive a “mock” financial profile for a fictitious nonprofit organization and expected to asked to provide analysis of fundraising strengths, weaknesses, and opportunitites, and extrapolate trends inferred utilizing national giving data. They will then be asked to conduct a similar analysis of their respective agencies. The ability to accurately interpret data and develop strategies are critical skills; 10 percent of the students’ grade will be evaluated according to their performance in this area.

#### *Participation and Discussions:*

Because of the importance of active class discussion and participation, 20 percent of the final grade is based on participation and discussion. **Attendance in class sessions is required to receive credit for participation.** For most weeks, at least half of the class session will be “hands on” activities, guest speakers, or case studies to expand upon the lecture material. Participation is essential to the success of these activities. Participation during the lecture portion of the class is also important to illuminate the material. Your participation grade will be determined by the instructor at the end of the quarter, as well as through peer evaluations of your participation in the group consulting project. In general, active participation during each class session is expected to receive an “A” for participation at the end of the quarter.

## **Course Policies**

#### *Confidentiality:*

In the process of creating Development Plans, students will obtain proprietary data and sensitive information. Participating organizations have been informed that such information may be discussed in class. It is therefore imperative that the confidentiality of the materials and of the class discussions be maintained. Some participating organizations may require the team members to sign confidentiality statements. In addition, in the event team members have occasion to obtain client-identifying information, team members are prohibited from sharing such information with anyone inside or outside of class. Further, the audio or video recording of any interactions with the organization is expressly prohibited. **Breaches of confidentiality will be considered a violation of class rules and the guidelines on academic misconduct will be followed.** Refer to the Office of Academic Affairs for further information.  
<http://oaa.osu.edu/coam.html>.

#### *A Note on Plagiarism*

The deliverables that you will be preparing are “professional documents.” These types of documents are different than traditional research and course papers, in that they typically do not include a “list of works cited” or bibliography at the end of the document. HOWEVER, this does not reduce the importance of incorporating external references OR of properly documenting such references. Many professionals find footnotes within text to be an efficient way to reference external sources or materials. Such footnotes should be provided to cite **any material taken from websites or organizational documents** (direct quotes or paraphrased materials), in addition to traditional “academic” references.

The Center for the Study of Teaching and Writing here on campus provides further direction on citing materials in documents. <http://cstw.osu.edu/writingcenter/handouts>

**Inadequate citation of materials, or plagiarism, is taken very seriously at The Ohio State University, and the guidelines on academic misconduct will be followed in this course.** Refer to the Office of Academic Affairs for further information. <http://oaa.osu.edu/coam.html>.

## Important Dates

Week	Class	Class Subject	Consulting Project
Week 1	1/7/13	Overview of Philanthropy & Current trends; review of course work	Assignment of Group/Nonprofit Teams Assignment of Plan segments
Week 2	1/14/13	Elements of the Development Plan	Review of Sample Development Plans and discussion of each segment; agency meeting schedules due
Week 3	1/28/13	Nonprofit Volunteer Leadership	Matrix (Group Work) and Executive Summary Due (Individual Work)
Week 4	2/4/13	Interrelation of Executive Director, Board President & Development Director	Best Practices Board Manual Due (Individual Work)
Week 5	2/11/13	Annual Fund	Draft of Board Segment Due (Individual Work)
Week 6	2/18/13	Major Gifts	Draft of Annual Fund Due (Individual Work)
Week 7	2/25/13	Corporate & Foundation Fundraising	Draft of Major Gifts Due (Individual Work)
Week 8	3/4/13	Development Metrics and Stewardship	Draft of Corporate & Foundation Due (Individual Work); outline of group presentations due (Group Work)
Week 9	3/18/13	Social Media and On-line Giving	FEP Analysis In-Class Assignment Due (Individual Work)
Week 10	3/25/13	Database Management	FEP Analysis for Nonprofit Partner Due (Individual Work)
Week 11	4/1/13	Group Presentations Part I	Group Presentations (Group Work)
Week 12	4/8/13	Group Presentations Part II	Group Presentations (Group Work)
Week 13	4/15/13	Ethics and Accountability	Ethics Exercises (Group Work)
Week 14	4/22/13	Generational Giving and Future Trends	AFP meetings completed; all presentations to Nonprofit Partners Completed; copy of final presentation due; Partner evaluations due (Individual & Group Work)
FINALS	4/24/13 through 4/30/13	Mentoring Appointments	Extra credit assignments due for those unable to attend AFP/COPG meetings

**\*Deliverables are to be posted to the appropriate Carmen Drop Box by the start of class time on the date that they are listed above.**

## Course Schedule

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Week 1: January 7, 2013

### Overview of Fundraising: The Philanthropic Marketplace

- Student Introductions
- Course Overview
- Nonprofit Organizations and the Fundraising and Philanthropic Marketplace

#### Required Readings:

1. Executive Summary, Giving USA 2012
2. Achieving Excellence in Fundraising, Chapters 1, 10, & 29

#### Supplemental Readings:

1. NCCS Ohio Reports ([www.nccs.urban.org](http://www.nccs.urban.org))
    - a. Quick Facts
    - b. US Nonprofits
    - c. Nonprofit Sector in Brief (2011)
  2. IRS 990 Form ([www.irs.gov](http://www.irs.gov))
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Week 2: January 14, 2013

### Elements of the Integrated Development Program

- Examination of the typical earned and contributed income streams employed as part of a development plan, and the relationship with other departmental functions
- Discussion of the Development Continuum and the Fund-raising Pyramid

#### Required Readings:

1. Achieving Excellence in Fundraising, Chapters 2 - 5
2. AFP Sample Development Plan

#### Supplemental Readings:

3. Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers, Chapters 1-4.
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Week 3: January 28, 2013

### Nonprofit Volunteer Leadership: Building (and Keeping) the Effective Board

- Characteristics of an effective board; responsibilities of effective board members
- Explores the critical impact of volunteer leadership
- Communication and succession issues
- Leadership identification, enlistment, orientation and motivation

#### Required Readings:

1. Achieving Excellence in Fundraising, Chapter 24
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**Supplemental Readings:**

1. CEO Survey of Nonprofit Boards (www.boardsource.org)
  2. What goes in the board of director's manual? (Board Source Knowledge Center Q&A, www.boardsource.org)
  3. Becoming a More Effective Board Member (www.bridgespan.org)
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Week 4: February 4, 2013

**The Fund-raising Triumvirate: The Interrelationship of Executive Director, Board President & Development Director**

- Outlines the roles of fund-raising, management, mission and vision through the top leadership positions
- Interdependence of these roles in a successful nonprofit
- Best Practices organizational structure
- Guest Speaker from nonprofit executive and volunteer leadership

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 27- 28

**Supplemental Readings:**

1. Seiler, Timothy L. and Grace, Kay Sprinkel, : Achieving Trustee Involvement in Fundraising
  2. Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers, Chapters 1-2.
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Week 5: February 11, 2013

**Understanding the Annual Fund**

- Fundamental building block of all development activities
- Establishing revenue and gift projections, setting up business and budgeting models
- Tools for segmenting gifts and identifying trends

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 6, 11, 19, 21 & 22
2. Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers, Chapter 3.

**Supplemental Readings:**

1. [www.studyfundraising.info](http://www.studyfundraising.info), Who Gives and Why.
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Week 6: February 18, 2013

**Identifying, Qualifying, Soliciting and Securing Major Gifts**

- People still give to people, and Why; An exploration of the move from transactional giving to transformation
  - Major gifts trends
  - Donor motivation, the role of leadership volunteers
  - Hallmarks of an effective major gifts program.
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**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 7, 15, 18
2. [www.studyfundraising.info](http://www.studyfundraising.info), Donor retention and Loyalty
3. [www.studyfundraising.info](http://www.studyfundraising.info), Social Influences on Giving
4. Donor-Centered Fundraising, Chapter 8

**Supplemental Readings:**

1. Giving Trends of High Net Worth Individuals, Indiana University Center for Philanthropy
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Week 7: February 25, 2013

**Corporate and Foundation Fund-raising**

- Trends in corporate and foundation giving; effective solicitation of both;
- Impact of family foundation in the marketplace
- Basic research to identify funding sources
- Guest speaker from local foundation

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 12 - 13
2. Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers, Chapter 4.

**Supplemental Readings:**

1. Grant guidelines, Nationwide Foundation and Harry C. Moores Foundation
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Week 8: March 4, 2013

**Development Metrics and Donor Stewardship**

- Outcome of development activities can be measured by more than money
- Why tracking is a vital tool in identifying the most successful strategies
- MOVES management

**Required Readings:**

1. Donor Centered Fundraising, Chapter 3-6, Chapters 8-10.

**Supplemental Readings:**

1. MOVES Management
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Week 9: March 18, 2013

**Social Media and On-line Giving**

- Investing in on-line strategies: pros and cons
- Combining technology with fund-raising best practices to create a springboard for enhanced fund-raising performance
- Guest speaker from large public fund-raising event

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 20, 26
  2. FEP by Levis & Williams, Advancing Philanthropy, March-April 201
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**Supplemental Readings:**

1. Mock Kintera exercise
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Week 10: March 25, 2013

**Database Management and Viral Fund-raising Strategies**

- Garbage In/Garbage Out and the impact on the effectiveness of development functions
- Basic database analysis
- Combining technology with fund-raising best practices to create a springboard for enhanced fund-raising performance
- Guest speaker from large public fund-raising event

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapter 30
2. [www.studyfundraising.info](http://www.studyfundraising.info), Assessing Fundraising Performance

**Supplemental Readings:**

2. Adrian Sargeant presentation to AFP Central Ohio Chapter, December 2012
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Week 11: April 1, 2013

**Group Presentations**

- Presentation of development plans created for assigned nonprofit partner, and steps for implementation
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Week 12: April 8, 2013

**Group Presentations**

- Presentation of development plans created for assigned nonprofit partner, and steps for implementation
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Week 13: April 15, 2013

**Ethics and Accountability**

- Ethics is the hallmark of effective fund-raising, and is most readily recognized through processes and procedures
- Communicating transparency and accountability
- The new 990 Philanthropy in the “new normal.”

**Required Readings:**

1. AFP Donor Bill of Rights & Code of Ethics
  2. Fund-Raising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers, Chapter 6.
  3. [www.studyfundraising.info](http://www.studyfundraising.info), Fundraising Ethics; Public Trust
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Week 14: April 22, 2013

**Future Philanthropic Trends**

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- Generational giving
  - Projecting the impact of demographic trends
  - The future face of philanthropy and its impact on the nonprofit sector

**Required Readings:**

1. Achieving Excellence in Fundraising, Chapters 16 & 17

**Supplemental Readings:**

1. Generational Differences in Charitable Giving and in Motivations of Giving, Campbell & Company for the Indiana Center on Philanthropy ([www.campbellcompany.com](http://www.campbellcompany.com))

**ALL FINAL DELIVERABLE DUE TO THE ORGANIZATION**

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FINAL EXAM WEEK: April 24-30, 2013

**Individual mentoring meetings with Instructor**