

PPDE 681
Fund Development for Nonprofit Organizations
Spring 2020
Sol Price School of Public Policy
University of Southern California

Instructors: John Sonego
Email: Sonego@usc.edu
Office Hours: By appointment
Classroom: RGL 209
Day and time: Wednesday, 6:00 p.m. – 9:20 p.m.

Course Description:

A successful fundraising program is critical to the success of every nonprofit organization. This course provides students with a practical understanding of new and advanced concepts, techniques and theories of nonprofit fundraising. Students will develop management and leadership skills, learning to analyze and evaluate the fundraising process and methods, and develop the ability to think creatively and problem-solve. This course focuses on developing the practical skills and understanding required to develop and sustain a successful fundraising program, providing students with the theoretical foundation and principles of fundraising with the practical experience of working with a nonprofit on a sustainable fundraising campaign.

Course Objectives:

As one of the core courses required for completion of the MNL, this class provides students with an understanding of the fundamentals of fundraising for nonprofits: the types of revenue streams that fund organizations; strategic development planning to accomplish fundraising goals; how to identify, cultivate, solicit, and steward individual, corporate, and foundation gifts; and, how to incorporate newer online fundraising strategies into a development plan. The focus of this course is both theoretical and practical – we expect the principles students learn in class and through their reading will be directly applied in developing and implementing a fundraising initiative for a local nonprofit client.

Course learning objectives include:

- Context: An understanding of the history and evolution of fund development
- Process: An ability to develop a strategic funding plan with diverse funding streams
- Vehicles: How to develop strategies unique approaches to each type of funding stream
- Sources: Analysis of donor motivation and approaches to cultivation
- Innovation: Employing new and diverse fundraising methods and mechanisms

ABOUT THE INSTRUCTORS

John Sonego is the associate dean for external affairs for the USC Price School of Public Policy, and has led a team that has raised more than \$175 million in support of the School since he joined USC Price in 2011. Prior to coming to USC, Sonego was the assistant dean of development and alumni affairs for the UCLA Fielding School of Public Health, and was an adjunct faculty in the fundraising and nonprofit management certificate program at UCLA Extension. At UCLA Extension, he served as chair of the advisory group that developed and launched the UCLA nonprofit leadership program, and taught the first series of courses for the program.

A longtime activist and advocate, Sonego has also served in a number of nonprofit leadership roles, including the Director of Programs and Communications for GLAAD, directing the program work of one of the most visible media advocacy organizations in the country. At GLAAD, he was instrumental in persuading the *New York Times* to include the commitment ceremonies of gay and lesbian couples on its wedding pages.

He was also a founding member of Steppin' Out, the all-volunteer nonprofit organization that started the annual AIDS Walk in Detroit in the early 1990's; under his leadership, the organization raised over \$3 million in its first four years, and continues to be one of the leading AIDS/HIV advocacy organizations in Michigan today.

Sonego serves as a commissioner to the Los Angeles County Local Government Services Commission; on the board of directors of Project Angel Food and the Hollywood Schoolhouse; and, as an advisory board member for the Geffen Playhouse.

COURSE REQUIREMENTS

1. **Readings:** Course reading is required to be prepared for weekly class discussion. Additionally, some basic research will be required to prepare for class discussions, engagement with guest speakers and for the group project assigned in class.
2. **Class Participation:** This class is designed to be interactive, and you are expected to come to class ready to engage and participate; further, this class will require engagement with a nonprofit organization to assist in developing a fundraising plan, so there will be significant outside involvement with the organization, their staff and prospective and current donors. Additionally, students are required to solicit support for a nonprofit organization of their choice, requiring interaction with prospects and potential donors.
3. **Individual Written Assignments:** This class is also designed to hone your research, analytic and persuasive writing skills. There will be a series of writing assignments over the course of the class in which students will be expected to demonstrate an ability to clearly and

compellingly communicate research findings, identify compelling case statements, fundraising 'pitches' and messaging. These assignments are designed to serve as building blocks for a strategic fundraising plan for the client, and to prepare students to make 'asks.'

All assignments should be in 12 point type, double-spaced and must be written in plain, concise prose as described in Strunk and White's Elements of Style. Referencing should use APA format. The student's name, class and date should be in the upper right hand corner of the first page. All written work must include footnotes or other citations appropriate to graduate level studies.

4. **Individual Fundraising Plan and Solicitation:** To be successful at fund development, an ability to make an ask and secure funding is essential. At the beginning of the semester, students will select a nonprofit organization they have some affinity for, and will develop a personal fundraising plan to solicit funds for that organization over the semester. Students will research the organization and determine its priority funding needs; develop a 'stretch' fundraising plan they will follow; prepare a list of prospective donors to solicit; and, engage in making 'asks' to those prospects. ***Students will do a final 'in-class' presentation that includes the plan, lessons learned from the solicitation effort, and recommendations about going forward.***

5. **Client Project:** Students will develop a ***targeted development plan for one of three clients assigned in the class that is tailored to their specific needs and requirements.*** Building on the content introduced in class and assigned readings, the plan must include a thorough SWOT analysis of the client's mission, organization and current fund development efforts; a comprehensive case statement and recommendations about messaging for the organization's collateral; a plan to engage major donors, foundations, corporate support, an annual giving campaign and a planned giving initiative. And, please include any additional observations or recommendations you might want to make to the client.

The written final project will be due in the second to last week of class, and presented to the client during the last class meeting.

ADDITIONAL POLICIES

1. **Assignment submissions:** Since clients often expect formal, written documents when soliciting proposals and recommendations, all assignments for this class must be submitted in writing at the beginning of class on the due date. See above section on written assignments for full description of required format.

2. **Policy on late or missing assignments:** As most of the writing assignments in the class are designed to build up each prior assignment, we will grade late written assignments down substantially. Please inform us in advance if you must miss a deadline. Repeated late or missing assignments may result in a non-passing grade.
3. **Class attendance:** Each student is expected to attend all class sessions; if some extraordinary circumstance requires you to miss class, you must confirm with us in advance. In such cases, the absent student may be assigned extra work to make up for missing important in-class activity.
4. **Punctuality:** Punctual attendance is requested. During many class sessions, there will be guest speakers who are generously giving their time to speak to the class. As a matter of courtesy to them, your fellow classmates and me, please be punctual and prepared to engage at the start of each class session.
5. **In-class focus:** As a matter of courtesy to guest speakers, the instructor and your fellow classmates, please do not use laptops or other devices during guest lectures or during interactive class discussions. The best way to support a learning environment is to be present and ready to engage, without distraction.

ACADEMIC CONDUCT

Plagiarism

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

Discrimination, sexual assault, and harassment

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity <http://equity.usc.edu> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-publicsafety/online-forms/contact-us>. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/>

provides 24/7 confidential support, and the sexual assault resource center webpage <http://sarc.usc.edu> describes reporting options and other resources.

Support Systems

A number of USC's schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students. The

Office of Disability Services and Programs

http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations.

Emergency Preparedness

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

Civility

As a diverse community of learners, students must strive to work together in a setting of civility, tolerance, and respect for each other. Rules of classroom behavior:

- Conflicting opinions among members of a class are to be respected and responded to in a professional manner.
- Side conversations or other distracting behaviors are not to be engaged in during lectures, class discussions or presentations.
- There are to be no offensive comments, language, or gestures.

Required Readings:

Price, Russ Allen, 2001. *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors*. Josey Bass, ISBN 978-0787960575.

Panas, Jerold, 2013. *Asking: A 59-minute Guide to Everything Board Members, Volunteers and Staff Must Know to Secure the Gift*. Emerson & Church Publishers. ISBN 978-1889102498.

Burnett, Ken, 2002. *Relationship Fundraising*. Josey Bass, ISBN 0-7879-60894-6.

Additional articles are assigned within the syllabus; others may be posted on Blackboard throughout the semester.

Course Requirements:

The course grade will be calculated as follows:

Class participation	10%
Writing Assignments	40%

Individual Solicitation Effort	25%
Team Client Plan and Recommendations	<u>25%</u>
Total	100%

Full descriptions of assignments are included in the syllabus and will be discussed in class.

Finally, all students are required to have e-mail capability. We will use e-mail for out-of-class communications during the semester. **Please ensure that Blackboard displays your preferred email address so that you can be contacted as needed.**

Academic Accommodations: Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure letter is delivered to the instructor as early in the semester as possible. DSP is located in STU 301 and is open from 8:30am – 5:00pm, M-F. The phone number for DSP is (213) 740-0776.

Course Schedule:

Assigned readings should be completed for the day they are listed

Week One: Introduction to Fundraising (January 15)

This class will provide an overview of the course and lay out the basic terms and activities we will focus on this semester. Key concepts covered include the definition of philanthropy; tax exempt and tax deductible status; an overview of the current state of philanthropy; the fundraising cycle; and ethical fundraising. And, this introduction will also look at the personal qualities and characteristics of successful fundraisers.

Students will participate in a number of in-class exercises designed to help them become more familiar and comfortable with fundraising and making a case for support.

Readings:

- Panas, Jerold, Asking, Chapters 1-12 (pp 9-45)
- Burnett, Ken, Relationship Fundraising, Chapters 1-3 (pp 1-36)

Week Two: Nonprofit Interviews (January 22)

Representatives from four local nonprofits will introduce their organizations, missions and the possible challenge that students can assist in addressing. Students will then have an opportunity to choose a project team to work on one of the two opportunities.

Guest presenters/clients:

Charlene Qo, Trojan Shelter, will present an opportunity help this student organization, which provide homeless students with temporary shelter, to prepare a sustainable development plan.

Following is a detailed outline of this project:

Trojan Shelter is a University of Southern California registered campus organization that operates as housing for college students experiencing homelessness in the greater Los Angeles area. Trojan Shelter offers free-of-charge housing, meals, and resources to its residents. As a student led organization, we are concerned about the long-term viability of our organization, knowing we must continue to train the next generation of student leaders to carry on the work, and to engage donors long-term to support the Shelter's operational needs.

The project for the Fund Development class (PPDE 681) of Spring 2020 is work with us to prepare a viable development and operations plan that includes the infrastructure and mechanisms to build and sustain a donor base of financial support, and to identify, recruit, train and empower successive generations of students to carry on the work as long as student homeless shelters are needed.

Kaitlyn Hennessy, Director of Development, Kipp Schools, will present an opportunity to help the organization expand donor support for its nonprofit charter schools.

Following is a detailed outline of this project:

KIPP SoCal Public Schools is a non-profit organization that currently operates 19 open-enrollment, charter public schools in Southern California's most systemically under-resourced communities. Together with families and communities, we create joyful, academically excellent schools that prepare students with the skills and confidence to pursue the paths they choose -- college, career, and beyond -- so they can lead fulfilling lives and create a more just world. Our organization has an annual budget of over \$100 million, of which approximately \$13 million is raised through private philanthropy. The KIPP SoCal development team's goal is to secure this necessary private philanthropy to support our general operations and key programming.

However, with limited public education dollars available, there is always additional financial need at the school-level. We want to empower our schools, teachers, and families to fundraise while ensuring: (1) branding alignment & consistency in message; (2) financial & donor tracking; (3) stewardship & relationship management; and (4) risk management & tax avoidance. We would like our USC consultants' support in creating a much-needed School-Based Fundraising Policy and Toolbox.

Beth Ryan, Executive Director and Founder of Stepping Forward LA, which serves transitioning foster youth to develop job and life skills, will present an opportunity to develop a strategic fundraising plan.

Following is the detailed description from the client:

"Stepping Forward LA works with foster youth who age out of the system. After living in the foster care system, young adults are forced to navigate life on their own - many without the necessary skills to do so. Stepping Forward LA's team - all former foster youth themselves - assist the young adults find housing, get into college, prepare and find employment, navigate healthy relationships with peers and adults, teach financial management and cooking skills and support them as they transition into adulthood.

Stepping Forward LA is looking for a team of students to help research best practices and evaluate the effectiveness of current programs. With housing being a huge priority for the young adults, SFLA is exploring creating a housing campus for youth aging out and wants to explore existing programs and collect input from young adults. USC students will work directly with the Executive Director and Founder of Stepping Forward LA as well as the staff and consultants to create programs that will have a huge impact on the lives of the foster youth served."

Alex Vrabeck, Development Coordinator, Goodwill Southern California

We have identified our giving season here at Goodwill SoCal as the Fall Season: Halloween – Thanksgiving. A few years back, the Development office decided to call this time “Fall is the Season of Goodwill”. We have custom tote bags during this time, we have custom letterhead, and we also host our major fundraising event, the Golf Tournament.

We would like the group that picks us to help build out this “season” with custom appeal letters, social media posts, ideas on how to get in to a grocery store to do a POS campaign, and whatever else they can come up with.

Following the client presentations, class discussion will focus on determining individual client choices, the composition of teams, and brief team meetings to determine next steps and a course of action to begin to engage with their client.

Readings:

- Panas, Jerold, *Asking*, Chapters 13-25 (pp 46-90)
- Burnett, Ken, *Relationship Fundraising*, Chapters 4-6 (pp 37-94).

Assignment for Next Week: Teams will prepare an action plan and timeline to accomplish their final project. How often do you need to meet with the client, and when? What do you need to

know from the client? What research must be done? Teams will prepare a 1-2 page detailed plan and schedule to present to the class during week three.

Week Three: Developing Fundraising Programs (January 29)

A strong fundraising program is built upon good data, a solid vision and a thoughtful communications strategy. This class will focus on the foundational research and analysis necessary for a strong fundraising program, including: analyzing historical trends, specificity, acquisition strategies for new donors, creativity in engaging current and new prospects, online giving, and costs. We will consider how to do a SWOT analysis that provides the underpinning for a strong fundraising program.

Guest speaker: Mary Ann Schwartz, Senior Associate Dean of Advancement, Viterbi School of Engineering.

Readings:

- Prince, Russ and File, Karen, *The Seven Faces of Philanthropy*, Introduction and Part One, Chapters 1-3.
- Sample Fund development plan

Assignment for next week: As a team, complete a preliminary SWOT analysis (3-5 pp) for the nonprofit you have chosen to support. This assessment should be based upon additional conversation with organization leadership, online research, and a comparative analysis of other organizations in the space.

Week Four: Donor Acquisition and Retention (February 5)

This week, we will do a deep dive into the fundamentals of a good fund development strategy: donor acquisition and development, including constituency identification and development; donor and prospect research; incentives and donor recognition; stewardship as a cultivation strategy.

Guest Speaker: Olympia Ammon, Development Consultant

Readings:

- Burnett, Ken, *Relationship Fundraising*, Chapters 7-9 (pp 95-184).
- Prince, Russ and File, Karen, *The Seven Faces of Philanthropy*, Introduction and Part One, Chapters 4-7.

Assignment for next week: Identify a list of 10-15 prospects you want to approach to support your nonprofit. Prepare a simple donor profile for each, including relevant contact information,

any anecdotal background, any available information on financial resources, and a summary statement outlining why you believe this is a good prospect for your organization.

Week Five: Developing a Case Statement (February 12)

This week, we will look at establishing the case statement for nonprofit; from it, all messaging, proposals, donor pitches, etc., are derived. We will consider institutional readiness; the development process; understanding donor motivations and needs; the donor pyramid; and look at models to determine giving capacity.

Guest Speaker: Valerie de La Garza, Managing Director, Fenton Communications

Readings:

- Prince, Russ and File, Karen, *The Seven Faces of Philanthropy*, Introduction and Part Two, Chapters 8-9.
- Burnett, Ken, *Relationship Fundraising*, Chapters 10-11 (pp 185-246)

Assignment for next week: After thorough research, prepare a 2 page case statement outlining why the nonprofit you are working with is worthy of donor support.

Week Six: Major Gifts (February 19)

This week focuses on one of the most critical aspects of any successful fund development campaign, including:

- Donor Management System: Accurate donor information is critical for fundraising success; how do you maintain information in one place that is accessible to all who need it?
- Major Gifts Committee: Do you need a volunteer major gifts committee to extend your reach and strategize cultivation plans for your highest-level donors.
- Goals and Plans: Be clear on how much you're trying to raise; how many prospects will you need? How do you target the ask amount? Who will ask? What is your timeline?
- Cultivation: How do you build a relationship with your prospect or donor? You start with personal cultivation plan for each major gift prospect.
- Stewardship: How do you show your donors the impact of their gift?

Guest Speaker: Alex Pampalone, Senior Director of Development, Dornsife College.

Readings:

- "Large Gifts, Major Impact" Advancing Philanthropy Summer 2015
- Fundraising Effectiveness Report 2016
<http://www.afpnet.org/files/ContentDocuments/FEP2016FinalReport.pdf>

- Special Report on Nonprofit Fundraising Campaigns
http://www.urban.org/research/publication/special-report-nonprofit-fundraising-campaigns/view/full_report

Assignment: As a team, prepare a basic fundraising strategy for your nonprofit, including a goal, targeted donors, and a plan to engage and cultivate each.

Week Seven: Foundation Support (February 26)

This week, we will focus on engaging foundations to support your work and mission. What are the different types of foundations? How do you build a relationship with a foundation? How do you engage program officers? How do you prepare an LOI? Is there a benefit to engaging in collaborative ventures with other nonprofits? What do foundations look for in nonprofits they want to engage? What are common standards of measure?

Guest Speaker: Paul Moore, Bohnett Foundation

Readings:

- Foundation Center: The Foundation Center’s Guide to Proposal Writing. Free download link: <https://charlottephelpsireg.files.wordpress.com/2017/04/the-foundation-centers-guide-to-proposal-writing-by-jane-c-geever.pdf>

Assignment for next week: Identify a potential foundation that might support your nonprofit and prepare a letter of inquiry.

Week Eight: Corporate Support (March 4)

This week, we will consider what motivates a corporation to support the work of a nonprofit; what corporate partners need and expect from nonprofits; how to engage corporations in support; the differences between corporate marketing and corporate foundation dollars; and, how to keep corporate partners engaged over time.

Guest Speaker: Mark McBride, Executive Director of Development, Project Angel Food.

Readings:

- Handling the Ethical Dilemmas that Corporate Partners Can Bring to a Charity
<https://www.philanthropy.com/article/Handling-the-Ethical-Dilemmas/183683>
- “10 step guide to cultivating corporate sponsors”
<http://www.thefundraisingauthority.com/fundraising-events/cultivating-corporate-sponsors/>

Assignment for next week: As a team, prepare a sponsorship package for your organization, outlining the value proposition, benefits to the sponsor, and a succinct case for support.

Week Nine: Annual Giving (March 11)

Annual Giving is the backbone of every nonprofit fundraising strategy. What are the basic elements of an annual giving campaign? How do you plan for and prepare for an ongoing campaign? What are the best methods to use? How can you incorporate social media and crowd funding into your campaign? How do you budget for campaigns, and how do you best evaluate the cost benefit ratio?

Guest Speaker: Stacey McShane, Director of Development, Hollywood Schoolhouse

Assignment: Explore and evaluate the annual giving effort of your nonprofit. What elements do they use? What are their lessons learned? Prepare a 2-3 page analysis of their annual giving efforts.

Week Ten: Planned Giving (March 18)

Planned giving is a way in which philanthropic donors can provide support to nonprofits that include gifts from their estates. What are the types of planned gifts? What kind of infrastructure does a nonprofit need to have in place to accept planned gifts? How do you solicit planned gifts? How do you identify prospects who might be interested in planned gifts?

Guest Speaker: John Yu, Vice President for Gift Planning, USC.

Readings:

- Burnett, Ken, Relationship Fundraising, Chapter 12 (pp 247-274).
- The 2016 Planned Giving Study
<https://scholarworks.iupui.edu/bitstream/handle/1805/11006/planned-giving-study2016.pdf?sequence=1&isAllowed=y>

Assignment for next week: Review and analyze USC planned giving collateral and prepare a 1-2 page recommendation outlining the material's strengths and possible improvements.

Week Eleven: Events and Sponsorships (March 25)

Nonprofit fundraising events are both popular and ubiquitous; even though they are time-consuming and require significant amounts of staff time, many nonprofits choose to include events in their fundraising mix. What are the benefits of fundraising events? How do you assess the cost/benefit ratio of an event? What are the basic elements of a successful fundraising event? Do you need to engage event planners or other professionals? Do you need volunteer support?

Guest Speakers: Jessica Brusilow-Rollins and Jamie Mikelich, Geffen Playhouse.

Readings:

- Donor Drive, State of Fundraising 2019
<https://www.donordrive.com/resources/library/state-of-fundraising-2019-report/>

Assignment for next week: Review the current events schedule for your nonprofit and prepare a 1-2 page recommendation for the client. How can they improve existing fundraising events? Should events be eliminated? Added? What is the ROI for their events?

Week Twelve: Crowd-Funding and Online Campaigns (April 1)

Crowd-funding and online giving campaigns can be remarkably successful – but what does a nonprofit need to do to take maximum advantage of these types of ‘quick burst’ campaigns? What platforms should you use? What are the key words you want to employ? How do you build your ‘crowd’? What’s your messaging and implementation plan? How do you sustain a campaign and make it viral?

Guest Speakers: Greg Carlson, Associate Director of Digital Fundraising, USC.

Readings:

- Burnett, Ken, Relationship Fundraising, Chapters 13-14 (pp 275-334)
- Indiegogo Field Guide to Crowdfunding https://learn.indiegogo.com/wp-content/uploads/2016/03/IGG_ER_CampaignerFieldGuide_012115.pdf

Assignment for next week:

- Design a sample crowdfunding plan for your nonprofit client. Choose one of the popular platforms and create a sample plan to present in class.

Week Thirteen: Social Impact Giving (April 8)

Funders and foundations alike increasingly require that gifts made to nonprofits correlate to tangible social impact, defined loosely as actions that have positive impact on the wellbeing of a community. In your space, what do funders look for? How does your nonprofit define social impact? What is your social model? What are the factors in your work that can tangibly demonstrate impact? What metrics do you use to determine your nonprofit’s impact?

Guest Speaker: TBD

Readings:

- “Rethinking Philanthropy: How social finance is helping build knowledge for future leadership,” AFP: Advancing Philanthropy Summer 2015

Week Fourteen: Reflections on Making an Ask (April 15)

Asking for support is one of the most challenging – and most fulfilling – roles you can play in fund development. Please come to class present and discuss your ‘lessons learned’ as you have solicited funds for your organization this semester. We will review your presentations, and work through the actual process, including preparation, identifying connecting interests, asking donor-focused questions, ways to overcome objections, and closing the deal.

We will also make a final ask to a prospective donor(s) who will help to identify your strengths and areas where you might improve your skills.

Guests: Deborah Castro, Chair, USC Athenian Leadership Society and additional guest

Week Fifteen: Final Project Review (April 22)

Bring a rough draft of your final project to class, and as a team, present the contents for review and comment.

Week Sixteen: FINAL PROJECT PRESENTATIONS (April 29)

Clients will be present to receive your presentation and recommendations.