

Applying Activity-Based Management (ABM)¹ to Fundraising

By FEP-ABM² Task Force, FEP@afpglobal.org,
FEP-ABM Toolkit downloadable free at www.afpfep.org/tools [AFTER MARCH 15]
[DRAFT/3-15-19, Applying ABM to Fundraising – DraftABM4.docx]

The FEP-ABM Project is a Fundraising and Accounting Profession Collaborative

Goal: to enable NPOs to raise the “Net Gift Income” they need to fund their program services and fulfill their missions.

I - Core Fundraising Net Analyzer³ Report

Where fundraising income and expense are broken down into multiple fundraising activities.

Table 1 – Gift Income, Expenses and Net Gift Income by Activity

<u>Fundraising Activities</u>	<u>Gift Income</u> (A)	<u>Expenses</u> (B)	<u>Net Gift Income</u> (C=A-B)	<u>Net as % Of Total</u> (D=C/Ctot)
Activity A	\$ 499,921	\$ 128,835	\$ 371,086	12.0%
Activity B	\$ 110,865	\$ 52,950	\$ 57,915	1.9%
Activity C	\$ 644,080	\$ 46,100	\$ 597,980	19.3%
Activity D	\$ 149,170	\$ 34,800	\$ 114,370	3.7%
Activity E	\$ 2,177,306	\$ 216,500	\$ 1,960,806	63.2%
Grand total	\$ 3,581,342	\$ 479,185	\$ 3,102,157	100.0%

Development office/accounting office partnership:

- (1) The development office designs the fundraising activity structure (Activity A, B, C, etc.)
- (2) The development office tracks “Gift Income” by activity
- (3) The accounting office accounts for “Expenses” by activity
- (4) The development office enters “Gift Income” and “Expenses” data into the Fundraising Net Analyzer-FNA-v1.xlsx template, which calculates “Net Gift Income”

¹ “Activity-based management (ABM) is a method of identifying and evaluating activities that a business performs, using activity-based costing to carry out a value chain analysis or a re-engineering initiative to improve strategic and operational decisions in an organization,” https://en.wikipedia.org/wiki/Activity-based_management

² The AFP Research Council, Adventist Philanthropic Services to Institutions and Greater Washington Society of CPAs are leadership sponsors of the FEP-ABM Fundraising and Accounting Professions Collaboration Project and "Applying Activity-Based Management to Fundraising."

³ From “Fundraising Net Analyzer – FNA-v1.xlsx,” a Fundraising Cost Effectiveness Self-Assessment Tool [Downloadable free from the FEP-ABM Toolkit at www.afpfep.org/tools]

Applying Activity-Based Management (ABM) to Fundraising

Table of Contents

- I. Core Fundraising Net Analyzer⁴ Report (Table 1)
- II. Organization-Wide Activity-Based Management (ABM)
- III. GAAP Organization-Wide Statements of Functional Expenses Require Activity-Based Accounting (Table 2)
- IV. Organization-Wide Activity-Based Staff Time Sheet Reporting (Table 3, Chart 1)
- V. Applying Organization-Wide Activity-Based Management to Fundraising (Table 4)
- VI. Fundraising Income and Expense by Activity (Table 5)
- VII. Development Office Activity-Based Staff Time Sheet Reporting (Table 6, Chart 2)
- VIII. Designing multiple fundraising activities
- IX. Accounting offices provide all activity-based accounting services to development offices – Development Staff Have Limited Role (Table 7)
- X. Gift Income by Activity
- XI. The BoardSource *Measuring Fundraising Effectiveness* Template⁵ (Table 8)
- XII. Development office duties and responsibilities, Hank Lewis
- XIII. ROI, Number of Donors and Average Gift Performance Analysis (Table 9)

Appendix A – Checklist of Fundraising Activities with Definitions

[Included in the FEP-ABM Toolkit, downloadable at www.afpfep.org/tools]

These guidelines for applying ABM and ABC to fundraising are applicable for most small to midsize organizations up to \$10 million and may be used by the larger organizations as well.

Definition of activity as used in these guidelines⁶: a specific fundraising responsibility center for which a separate measurement of expense and/or revenue is desired. An **activity** is the lowest common denominator, lowest level of detail, or lowest grouping of revenues and expenses required by the development office. **Activity levels** are determined on the basis of how minute separate measurements need to be for assessing fundraising results and performance against inputs of staff time and expense. As described in Appendix A, fundraising activities are made up of the various solicitation and non-solicitation tasks to be performed. The tasks involved can define the activity.

Basically, with ABM, fundraising income and expense are broken down into multiple fundraising activities, establishing a **fundraising activity structure** needed for effective fundraising management: budgeting⁷, accounting, reporting and evaluation. Use of Activity-Based Management (ABM) by development offices can enable nonprofits to raise more money by making incremental increases in fundraising capacity -- staff and budgets – by activity. The results of incremental increased investments in existing and new fundraising activities can be measured to inform growth-oriented fundraising capacity-building decisions - by activity.

⁴ From Fundraising Net Analyzer – FNA-v1, a Fundraising Cost Effectiveness Self-Assessment Tool

⁵ <https://boardsource.org/research-critical-issues/measuring-fundraising-effectiveness/>

⁶ Also as “activity” is used by FASB in ASU 2016-14, see Table 5

⁷ “*Program Budgeting*. Preparation of the annual budget for fundraising begins with program budgeting to estimate the costs required to plan and carry out each fundraising activity within the overall fund development program, including the indirect and overhead expenses required to support each fundraising activity,” Hardwiring for maximum fundraising return on investment”, James M. Greenfield. Expanding the Role of Philanthropy in Health care. William C. McGinly and Kathy Renzetti, Editors. New Directions in Philanthropic Fundraising. Number 49, Fall 2005, p. 79-80.

II – Organization-Wide Activity-Based Management (ABM) And Activity-Based Costing (ABC)

As recommended by the National Assembly and National Health Council in Appendix 1, Methods of Expense Allocation, *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations*, 1998.

Key Advantages of Organization-Wide Use of ABM/ABC

- ABM/ABC enhances management's ability to evaluate the effectiveness of the organization's activities in terms of end results and at what cost.
- ABM/ABC facilitates the development of reasonable cost allocation methods and at the same time avoids establishing costly and burdensome allocation procedures.
- Cost allocation procedures are developed at a responsible management level by staff who are trained and understand the relationship among the organization's products, programs, and supporting services; and can be held accountable for the activities.
- ABM/ABC are consistent with the cost allocation guidance found in OMB circular A-122, IRS 990, and - authoritative GAAP accounting literature.

Maintenance of detailed, verifiable staff time records is a specific requirement of OMB Circular A-122. Accordingly, any non-profit organization accepting government funding should already meet this requirement.

III – GAAP Organization-Wide Statements of Functional Expenses

With ASU 2016-14⁸ now becoming effective for nonprofits, the GAAP financial statements of all charities that are audited must include a Statement of Functional Expenses that provides expense information at the major program level, and they must disclose within the footnotes how the charity allocates costs. As a result, it is likely that charities are already engaged in some sort of activity-based time reporting, because if such reporting wasn't already a requirement of their funders, the charities now need activity-based time reporting for the preparation of their financial statements. In such cases, these organizations are likely already capturing their fundraising activity as a single entry, without details of separate solicitation activities in use. Therefore, FEP-ABM implementation teams need to spend most of their efforts in (1) working with the development staff to help them identify the appropriate array of activities they need to produce helpful growth-focused reporting and (2) working with their accounting staff to ensure these development-focused activities are incorporated into the organization-wide system of activity-based accounting and to ensure the necessary reports will be routinely produced as part of the organization's regular reporting system.

⁸ https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176168381847&acceptedDisclaimer=true

Table 2 – FASB’s Illustrative Statement of Functional Expenses

FASB ASU 2016-14, page 66

	Program Activities				Supporting Activities				
	A	B	C	Programs Subtotal	Management and General	Fund-Raising*	Supporting Subtotal	Total Expenses	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
Salaries and benefits	\$ 7,400	\$ 3,900	\$ 1,725	\$ 13,025	\$ 1,130	\$ 357	\$ 1,487	\$ 14,512	
Grants to other organizations	2,075	750	1,925	4,750				4,750	
Supplies and travel	890	1,013	499	2,402	213	22	235	2,637	
Services and professional fees	160	1,490	600	2,250	200	52	252	2,502	
Office and occupancy	1,160	600	450	2,210	218	31	249	2,459	
Depreciation	1,440	800	570	2,810	250	15	265	3,075	
Interest	171	96	68	335	27	2	29	364	
Total expenses	\$ 13,296	\$ 8,649	\$ 5,837	\$ 27,782	\$ 2,038	\$ 479	\$ 2,517	\$ 30,299	

*The fundraising expense figures have been changed for consistency with the other tables and exhibits in this document.

IV – Organization-Wide Activity-Based Staff Time Sheet Reporting

Reliable revenue and expense reporting by activity is essential for informed, effective decision making - by activity. Such reporting requires reliable pay-period staff time sheet reporting with daily time distribution by activity (Table 3). Therefore, staff time reporting is a requirement.

The “Act. Code” column in time sheets is used by the accounting software system to record staff time by activity. This activity code also provides for including on an employee’s time sheet only those activities that are relevant to the tasks they perform. Employees can also record time for approved administration activities.

Table 3 – Sample Organization-Wide Time Sheet

Nonprofit accounting offices can use the timesheet data to produce staff hours reports by activity – pay period, year-to-date and annual. The staff-hour reports can separate direct hours from allocated hours by activity.

Organization Name

Department:

TIME SHEET

Employee: _____

Pay Period: _____

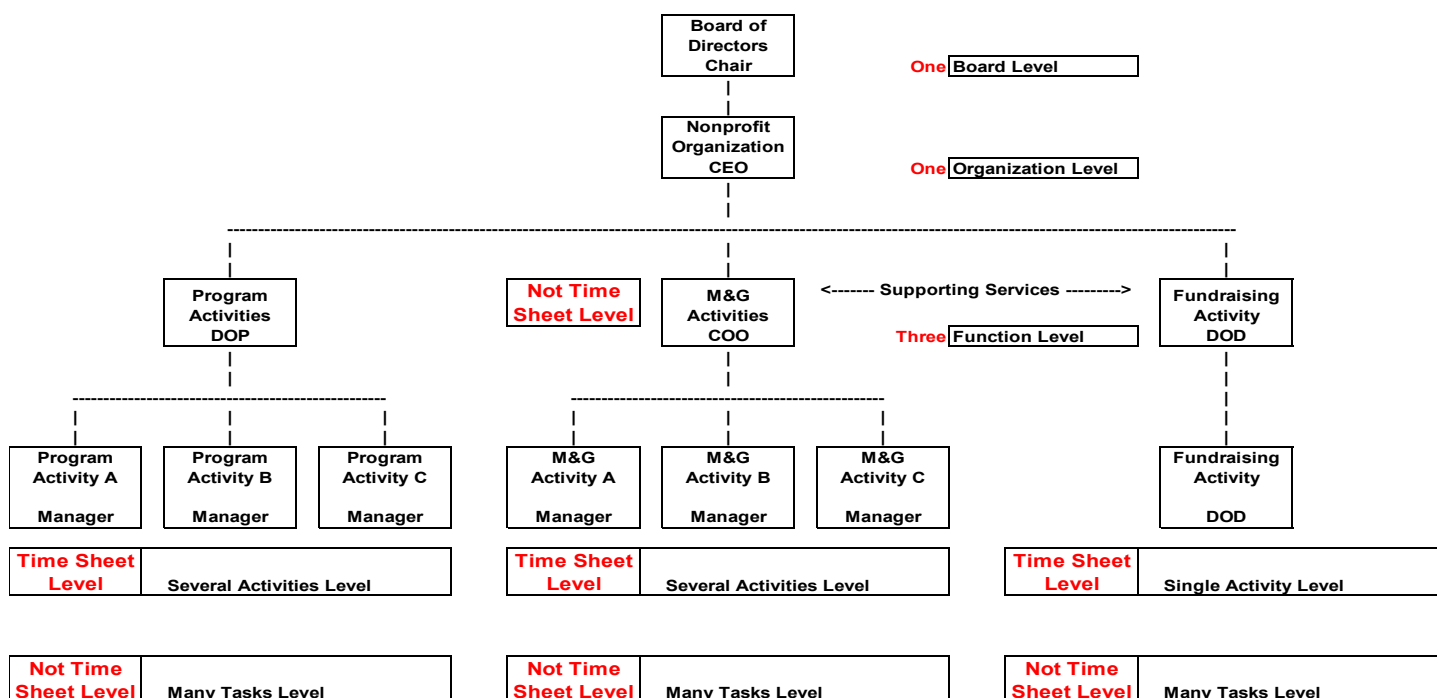
Activity	Act. Code	S	M	T	W	TH	F	SA	S	M	T	W	TH	F	SA	Total (A)	% (B=A/Atot)	(Accounting Dept Only) Salary (C=B*Ctot)
Program A			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
Program B			3	3	3	3	3			3	3	3	3	3		30	37%	\$ 562
Program C			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
M&G			5	5	5	5	5			5	5	5	5	5		50	62%	\$ 937
Fundraising			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
Vacation			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
Sick			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
Holiday			0	0	0	0	0			0	0	0	0	0		0	0%	\$ 0
Total			0	8	8	8	8	8	0	0	8	8	8	8	0	80	100%	\$ 1,500

"sample_time_sheet_2.xls," attachment to Time Sheets.

Patricia A. O'Malley, CPA, <https://www.nonprofitaccountingbasics.org/payroll/time-sheet>

Chart 1:

Nonprofit Organization GAAP Function, Activity and Task Structure



V – Applying Organization-Wide Activity-Based Management to Fundraising

Table 4 – Illustrative Multiple Fundraising Activities Report
Expanding the single “Fundraising” activity
In FASB’s Illustrative Statement of Functional Expenses (Table 2)

	Fundraising Activities					Total Fundraising
	Activity A	Activity B	Activity C	Activity D	Activity E	
Salaries and benefits	\$ 65,180	\$ 23,828	\$ 42,170	\$ 31,320	\$ 194,850	\$ 357,348
Supplies and travel	11,479	5,252	709	628	3,904	21,972
Services and professional fees	27,132	12,413	1,675	1,483	9,228	51,931
Office and occupancy	16,175	7,400	999	884	5,501	30,959
Depreciation	7,825	3,580	483	428	2,662	14,978
Interest	1,044	477	64	57	355	1,997
Total expenses	\$ 128,835	\$ 52,950	\$ 46,100	\$ 34,800	\$ 216,500	\$ 479,185

VI – Fundraising Income, Expense and Net by Activity

Fundraising income and expense are broken down into multiple fundraising activities.

Table 5 – Gift Income, Expenses and Net Gift Income by Activity
Core Fundraising Net Analyzer Report with footnotes (See also Table 1)

AltProgram4

<u>Fundraising Activities</u>	<u>Gift Income</u> (A)	<u>Expenses*</u> (B)	<u>Net Gift Income**</u> (C=A-B)	<u>Net as % Of Total</u> (D=C/Ctot)
Activity A	\$ 499,921	\$ 128,835	\$ 371,601	12.0%
Activity B	\$ 110,865	\$ 52,950	\$ 57,915	1.9%
Activity C	\$ 644,080	\$ 46,100	\$ 597,980	19.3%
Activity D	\$ 149,170	\$ 34,800	\$ 114,370	3.7%
Activity E	\$ 2,177,306	\$ 216,500	\$ 1,960,806	63.2%
Grand total	\$ 3,581,342	\$ 479,185	\$ 3,102,672	100.0%

* Includes allocations to fundraising activities of (a) natural expenses such as salaries, benefits, occupancy, depreciation and (b) development office administration, development services and staff-leave cost pools. For year-end reports, total expenses will equal total fundraising expenses in audited financial reports and IRS Form 990, Part IX - Statement of Functional Expenses, Column D

** "The amount of money available to spend on an organization's mission as a result of its fundraising efforts is the bottom line measure of fundraising success."

From BoardSource's *Understanding & Evaluating Your Fundraising Strategy Toolkit*.

<https://boardsource.org/research-critical-issues/measuring-fundraising-effectiveness/>

VII – Organization-Wide Activity-Based Staff Time Sheet Reporting Expanded to Include Multiple Fundraising Activities

Reliable revenue and expense reporting by activity is also essential for informed, effective fundraising decision making - by activity. Such reporting requires reliable pay-period staff time sheet reporting with daily time distribution by activity (Table 6). Therefore, staff time reporting is not simply an option for the development staff -- it is a requirement.

If the development staff make use of the pay-period time sheet system provided by the accounting office, the accounting office will be able to provide the development office with pay-period, YTD and year-end fundraising expense reports by activity.

The "Act. Code" column in time sheets is used by the accounting software system to record staff time by fundraising activity. This activity code also provides for including on an employee's time sheet only those fundraising activities that are relevant to the tasks they perform. This feature can also be used so that employees can also record time for approved fundraising administration and development services activities.

In light of the GAAP reporting requirements along with IRS Form 990 Part III requirements, it is unlikely that FEP-ABM implementation teams will need to help organization invent a new wheel called activity-focused time reporting.

Organization Name
Department: Development Office
TIME SHEET

Activity	Act. Code	S	M	T	W	TH	F	SA	S	M	T	W	TH	F	SA	Total (A)	% (B=A/Atot)	(Accounting Dept Only)		
																		Salary (C=B*Ctot)		
Fundraising A			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Fundraising B			3	3	3	3	3			3	3	3	3	3		30	37%	\$	562	
Fundraising C			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Fundraising D			5	5	5	5	5			5	5	5	5	5		50	62%	\$	937	
Fundraising E			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Vacation			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Sick			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Holiday			0	0	0	0	0			0	0	0	0	0		0	0%	\$	0	
Total			0	8	8	8	8	8	0	0	8	8	8	8	8	0	80	100%	\$	1,500

Chart 2:

7

VIII - Designing multiple fundraising activities

Process for designing multiple, growth-oriented fundraising activities

Applying activity-based management (ABM) to fundraising needs to be a collaborative process led by the development office and accounting office together with participation of the CEO and key board members.

First, nonprofits need to organize a fundraising activity design team to set up the activity structure. The CDO and CFO plan the design process, involving other development and accounting staff members as appropriate for the various tasks.

One of the most important tasks of the design team is to identify the fundraising activities to be considered throughout the strategic planning process.

The activities should be designed according to several basic principles as a team:

1. The activity and resulting gifts should be well-defined.
2. The activity's expenses and resulting gifts should be easily tracked in the accounting and fundraising systems.
3. The activity should be understandable across the industry, so the results could be compared.
4. There should be a difference in how activities drive gifts results. If activities do not involve different donors and fundraising techniques, there is no need to track them separately.

Each nonprofit has a set of fundraising activities that it has used over the years. An example of a fundraising activity structure would be: direct mail, major individual giving, foundation giving, special events and Internet fundraising. This prior-year set of fundraising activities provides an excellent starting point for discussion.

However, the design team needs to consider whether there are opportunities to try new fundraising activities and sources of funds as well.

The comprehensive checklist of fundraising activities with detailed definitions in Appendix A provides a useful resource for this purpose.

Once the existing and prospective fundraising activities have been identified, the next step is to develop several levels of staff FTE and expense budgets with estimated revenue projections for each activity. Level 1 would be last year's staffing and expense budget and results. Levels 2 and 3 would have increased budget levels and resulting gifts by activity.

Every nonprofit's program services activity structure is different -- tailored to their specific program service budgeting, accounting, reporting and evaluation needs. Likewise, every nonprofit's fundraising activity structure differs from one organization to the next.

IX - Accounting offices provide all activity-based accounting services to development offices. Development Staff Have Limited Role Here.

A message to nonprofit accounting offices: you need to be proactive in providing activity-based management (ABM) services to the development office -- i.e., do not wait to be asked by the CDO, CEO or board. The development staff cannot do their part if you do not do yours. The development staff know how to do fundraising. They do not know how to do accounting. and, you do not want them to be doing accounting.

Today, most if not all accounting offices' organization-wide functional accounting systems have a single fundraising **activity** for the fundraising or development office function.

Nonprofit accounting offices have Activity-Based Management (ABM) accounting software systems. The accounting offices distribute ALL the organization's expenses to **activities** (aka, sub-functions) within the broad program services, management and general and fundraising functions. In this way, accounting offices are able to extract expense reports by activity for the program services department, executive office and fundraising department.

Organization-wide accounting software systems are able to produce fundraising expense reports (Table 7) by fundraising **activity** for the development office for inclusion in the FEP-ABM "income, expense and net by fundraising **activity**" reports (Table 1).

Table 7 - Illustrative QuickBooks Profit and Loss by Class Report

[Provided by accounting offices that use QuickBooks to development offices – monthly, YTD and Year-end. "Class" in QuickBooks is used for activity in activity-based accounting.]

Kirkwood
QB's Profit and Loss by Class
For Development Office ABM
January 2018

	710 Grants (700 Fundraising)	720 Major Giving (700 Fundraising)	730 Annual giving (700 Fundraising)	799 FR Admin (700 Fundraising)	Total 700 Fundraising
Income:					
45100 · Individual contributions	0.00	20,000.00	20,350.00	0.00	40,350.00
45300 · Foundation grant contributions	60,000.00	0.00	0.00	0.00	60,000.00
Total Income	60,000.00	20,000.00	20,350.00	0.00	100,350.00
Expense:					
72100 · Key employee/director salary ex	892.86	5,049.04	4,063.97	892.86	10,898.73
72300 · Salaries and wages exp	3,421.88	351.56	351.56	0.00	4,125.00
72400 · Pension accruals/contributions	225.36	282.24	230.64	46.56	784.80
72500 · Other employee benefits expens	475.55	595.58	486.70	98.25	1,656.08
72600 · Payroll taxes expense	344.80	431.83	352.88	71.24	1,200.75
81000 · Office expenses	107.64	79.08	66.48	12.60	265.80
84100 · Rent exp	448.50	329.50	277.00	52.50	1,107.50
84200 · Equip maintenance & repair exp	44.85	32.95	27.70	5.25	110.75
89000 · Insurance & bonding expense	179.40	131.80	110.80	21.00	443.00
81900 · Program admin exp	380.07	450.81	369.38	(1,200.26)	0.00
Total Expense	6,520.91	7,734.39	6,337.11	0.00	20,592.41 *
Net Income	53,479.09	12,265.61	14,012.89	0.00	79,757.59

* Development offices insert Total Expenses by Class (Activity)
into their Fundraising Income, Expense and Cost-Benefit Ratio reports

Staff Time Sheets. Accounting offices' activity-based accounting systems have an **activity-based** time sheet feature that are maintained for every employee organization wide on a daily, pay period or

monthly basis. Daily is more accurate, resulting in more reliable expense reports by **activity** for more reliable decision making by **activity**.

Development staff is only responsible for their time-sheet recordings.

Direct Costs: Expenses identifiable with a fundraising **activity** are recorded in the organizations' accounting system by the accounting office to that fundraising **activity** as direct costs.

Chief development officers' role with direct costs: Direct costs consist primarily of invoices from vendors for purchases made by the development offices and of staff and consultant expense reports that are approved and coded by fundraising activity by the CDO and sent to the accounting office for recording as direct expenses by activity in their accounting system.

Salaries. The salaries of all the NPO's employees organization wide are allocated to **activities** by the accounting office based on staff time sheet percentages.

Chief development officers' role with salaries: The CDO is responsible for development office employee salary increases at the beginning of the year and during the year. Development offices have no role in allocation of salaries to separate fundraising activities.

Fringe. Organization-wide, including fundraising, fringe benefits (pension, other benefits and payroll taxes) are allocated by the accounting office to **activities** organization wide based on salary percentages.

Development offices have no role in determining fringe benefits amounts or their allocations.

Common cost pools. Common cost pool expenses (occupancy, depreciation, interest, insurance and central service pools) are allocated to fundraising **activities** based on staff time sheet percentages.

Development offices have no role in determining any cost pool amounts or allocations.

Chief Development Officer Responsibilities:

1. Design the fundraising activity structure and provide the accounting office with the list of development office time sheet fundraising **activities**.
2. For each fundraising **activity**, assess recent performance and prepare the development office annual fundraising plan and budget.
3. Maintain the daily fundraising **activity** time sheet for the CDO.
4. Review and approve other development staff time sheets for each pay period.
- (*) 5. Review direct-cost invoices from vendors and staff and consultant expense reports, approve and assign the expenses to fundraising activities and send to the accounting office for recording as direct expenses in the accounting system.

X - Gift Income by Activity

Development offices code gift transactions by fundraising **activity** as they are entered into their donor records system. In this way, development offices are able to extract "Gift Income" by fundraising **activity** reports from their donor records systems for Column A in Tables 1, 7 and 8.

XI – The BoardSource *Measuring Fundraising Effectiveness* Template (Table 8)

Table 8

All cells are automatically calculated.

Fundraising Program/Tactic <i>Enter as many lines as needed.</i>	Total Amount Raised <i>Gross amount raised by each strategy/program over the past year</i>	Cost of Staff Time to Raise It <i>Calculation of amount of staff costs for each program/strategy. Includes staff related indirect costs. This may involve some estimations if you don't track time by each program or tactic.</i>	Other Associated Costs <i>All direct costs associated with raising the funds - could include printing, event costs, meeting costs, etc.</i>	Program Nets <i>The amount each strategy or program contributes to the organization's bottom line.</i>	Program COF <i>The amount it costs this program/strategy to raise one net dollar.</i>
	A	B	C	D = A-B-C	E=(B+C)/D
Activity A	\$ 499,921	\$ 65,180	\$ 63,655	\$ 371,086	\$ 0.35
Activity B	\$ 110,865	\$ 23,828	\$ 29,123	\$ 57,915	\$ 0.91
Activity C	\$ 644,080	\$ 42,170	\$ 3,930	\$ 597,980	\$ 0.08
Activity D	\$ 149,170	\$ 31,320	\$ 3,480	\$ 114,370	\$ 0.30
Activity E	\$ 2,177,306	\$ 194,850	\$ 21,650	\$ 1,960,806	\$ 0.11
[as needed]	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (2.00)
[as needed]	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (2.00)
[as needed]	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (2.00)
[as needed]	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (2.00)
Totals	\$ 3,581,342	\$ 357,348	\$ 121,837	\$ 3,102,157	\$ 0.15

From the Measuring Fundraising Effectiveness template in BoardSource's *Understanding & Evaluating Your Fundraising Strategy Toolkit*.
<https://boardsource.org/research-critical-issues/measuring-fundraising-effectiveness/>

X - Development office duties and responsibilities

Basic development office duties and responsibilities define fundraising goals and objectives set by nonprofit leadership decisions and result in all solicitation and non-solicitation activities.

Development Office Roles:

“Participate in the strategic planning process to address the feasibility of attaining specific long-range and short-term funding goals.

“Responsible for working with Leadership and Administration in planning and implementing the activities needed to generate the funding required to meet the goals established by the strategic planning process.

“Participate in the process that links the setting of cash flow goals to the fundraising process.

“Work with Leadership in the creation/adoption of Short- and Long-Term Development Plans designed to identify, educate, cultivate and involve major gift prospects in the activities of the organization, so that short- and long-term funding goals can be met.

“Works independently and with Leadership in researching prospective major donors. Coordinates and tracks activities of Leadership in that process, and in the evaluation of solicitation of those prospects.

“Maintains and coordinates the use of the organization’s database.

“Works independently and with Leadership in designing and implementing broad-based marketing, public relations and fundraising.

“Coordinates, via the research process, the identification of which individuals, foundations and corporations should be donor prospects for which s and activities.”

By Hank Lewis, MA, CFRM, Major Capital Giving, January 24, 2012.

XIII – ROI, Number of Donors and Average Gift Performance Analysis [Report included in Excel-base Fundraising Net Analyzer⁹]

Table 9

Income, Expenses, Net, ROI and Average Gift

IncExpNetROIavg

<u>Fundraising Activities</u>	<u>Gift Income</u> (A)	<u>Expenses</u> (B)	<u>Net Gift Income</u> (C=A-B)	<u>Return On Investment</u> (E=A/B)	<u>Number Of Donors</u> (F)	<u>Average Gift</u> (G=A/F)
Activity A	\$ 499,921	\$ 128,835	\$ 371,086	388%	3,343	\$ 150
Activity B	\$ 110,865	\$ 52,950	\$ 57,915	209%	3	36,955
Activity C	\$ 644,080	\$ 46,100	\$ 597,980	1397%	94	\$ 6,852
Activity D	\$ 149,170	\$ 34,800	\$ 114,370	429%	245	\$ 609
Activity E	\$ 2,177,306	\$ 216,500	\$ 1,960,806	1006%	891	\$ 2,444
Grand total	\$ 3,581,342	\$ 479,185	\$ 3,102,157	747%	4,576	\$ 783

From "Hardwiring for maximum fundraising return on investment", James M. Greenfield,
Expanding the Role of Philanthropy in Health care. William C. McGinly and Kathy Renzetti, Editors.
New Directions in Philanthropic Fundraising. Number 49, Fall 2005, Table 6.3.

⁹ From Fundraising Net Analyzer – FNA-v1, a Fundraising Cost Effectiveness Self-Assessment Tool
[Downloadable free from www.afpfep.org/tools]