

Nonprofit Business Advisor

Business Strategies and Best Practices for Nonprofits

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Value, accountability, and excellence: three priorities for NGOs and intentional aid nonprofits

By Alan Tyson, *DATABASICS*

International aid organizations are in the midst of a fundamental and monumental shift. Although more traditional metrics, like eliminating poverty, providing stable housing and advocating for personal safety, remain important pillars of non-governmental organizations (NGOs) and nonprofits, the size and scope of their service demands continue to expand.

According to a Brookings Institute survey of nonprofit leaders, service needs continue to grow. Specifically, state fragility and climate were mentioned as pressing concerns three times more often than poverty, adding critical components to any aid organization's efforts. Of course, the novel coronavirus's cascading consequences further increased the demand for nonprofit-provided goods and services.

Consequently, the international aid sector is fragmented as organizations embrace different priorities in response to continually shifting crises.

Unfortunately, as the survey found, "the most frequently mentioned challenge is access to funding and resources, which is viewed as a fundamental challenge to addressing needs worldwide."

In other words, many nonprofits' very viability is predicated on their ability to procure funding, inextricably linking operational effectiveness with good governance.

To survive or even thrive in today's high-stakes international aid environment, nonprofits and NGOs can prioritize exemplary governance to demonstrate (See **PRIORITIES** on page 2)

United Way Worldwide chooses interim president, CEO

United Way Worldwide has selected Neeraj Mehta, chair of the U.S.A. Board, as its interim president and CEO of the organization. In this role, Mehta will focus on engaging the global United Way Network, and guiding UWW's organizational transition and strategic initiatives as it works to serve communities facing unprecedented economic, health and social crises, the organization said.

Mehta has served as an at-large member of the United Way board since 2016 and has led the U.S.A. Board since 2020. Until December 2020, Mehta served as executive vice president and CEO of Payment Solutions and chief commercial officer of Synchrony. Prior to that, Mehta held a series of executive roles at GE Capital.

In addition, Mehta has served on multiple for-profit and not-for-profit boards, the group said.

Mehta is taking over for outgoing president and CEO Brian Gallagher, who announced in February that he would be leaving the organization after nearly 20 years. That announcement came shortly after the results of an investigation that concluded the organization did not engage in "actionable harassment, discrimination or retaliation" with respect to three employees, who had filed a complaint with the Equal Employment Opportunity Commission. ■

Also in this issue

- Conferences & Events:** Cause Camp 2021 Annual Conference; Engage for Good 2021 Conference; Points of Light Conference on Volunteering and Service. 4
- Fundraising:** Nonprofit leaders urged to take advantage of PPP loans, invest in development. 5
- Industry News:** YouGiveGoods platform helps keep collection drives going for nonprofits. 6
- Nonprofit Research:** Data show 2020 not as bad as feared, 2021 looking up 7
- Resources:** Charityhowto.com webinar explores board fundraising strategies; Webinar looks at using texting in staff and volunteer training; Candid webinar offers tips for sustainability planning. 9
- Employment Law:** Legal cases that impact nonprofits. 10
- News:** Briefs from around the sector 12

PRIORITIES (continued from page 1)

value, maintain accountability and pursue excellence at every level, which helps ensure that they have access to the funding and resources they need to accomplish their missions.

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Demonstrate Value

Donations to international aid organizations are staggeringly sporadic. For instance, the United Way Worldwide saw income fall by 94% in the first quarter of 2020 before rebounding by 271% in the second quarter. Unfortunately, many others saw contributions decline without a significant rebound in subsequent quarters.

In total, it's estimated that international aid funding is down by more than a third from 2019 totals, meaning nonprofits will need to direct even more effort toward attracting adequate funding.

Understanding donor behavior and motivations is a good place to start. According to the recent report *Research-informed Philanthropy: Donor Behavior in Seeking and Using Information*, potential funders are looking for particular insights into an organization's impact before making a contribution. For example, more than half of new donors actively seek information on causes, and 75% seek information about a nonprofit's impact.

There are several ways that nonprofits can demonstrate value, including:

- **Storytelling.** Stories help donors understand the value of their investment, allowing them to more intimately connect with the cause and those that ultimately benefit from their contributions.
- **Data.** Capturing and conveying the number of people served, outcomes reached and lives changed can help donors appreciate the reach of their financial support.
- **Efficiency.** Donors want to support causes, not organizations. Running a highly efficient organization and actively sharing your business model clearly shows possible funders that their contributions will help drive outcomes, not overhead.

Exceptional governance will capture these metrics while developing platforms to convey them to stakeholders, effectively demonstrating that value is more than a marketing approach. It's a way to help donors feel more connected to the cause and committed to supporting the work.

Maintain Accountability

Responding to shifting donor trends is one way to entice new or continued giving. Specifically, donors demand greater transparency from nonprofits focused on international aid. As Network for Good, a PR consultancy helping nonprofits improve donor relations notes, "Donors come to your nonprofit because they believe in your mission. They stay with you because you

prove yourself worthy of their trust and commitment."

That's why nearly 70% of potential donors want information on overhead costs before making a contribution.

In this way, exceptional governance through meticulous time and expense tracking supports donor engagement efforts and keeps organizations accountable to the constituents and mission that it strives to serve.

Specifically, nonprofits should use time and expense tracking to identify, assess and communicate accountability for:

- **Resource allocation.** How much of the organization's money, time and talent is being deployed to certain priorities?

- **Overhead projections.** What percentage of overall resources is devoted to overhead expenses? Perhaps more importantly, what's included in this important spending category?

- **Staff/volunteer costs and payment equity.** Nonprofits need to support their teams by demonstrating equitable hiring and compensation practices.

Don't expect today's donors to contribute money and walk away. Many intend to hold nonprofits accountable for their processes and outcomes, ultimately putting a competitive advantage to those who can most clearly meet this demand.

Pursue Excellence

Unfortunately, some international aid organizations will inevitably be asked to do more with less. They will need to derive new efficiencies without compromising outcomes, and the stakes couldn't be higher.

A data-driven approach to resource allocation can help nonprofits maintain service continuity in lean times. For instance, it's easy for spending practices to become less precise or strategic over time. Analyzing spending patterns can identify areas where mission drift, organizational bloat or even just misguided expenditures could be eroding efficiency and efficacy.

Similarly, assessing volunteer and staff deployment can illuminate ways that nonprofits can optimize their human capital to keep priorities on track.

Better efficiencies don't eliminate the need for new donors and continued fundraising operations, but it can help nonprofits continue to support communities even when resources are tight.

Conclusion

People depend on international aid nonprofits to meet a litany of needs. Notably, the recent pandemic has diminished many governments' ability to deliver goods, services and opportunities to their

communities, giving NGOs and nonprofits elevated importance during this difficult time.

Exemplary governance can help nonprofits make the most of the moment, streamlining their efforts to attract new donors while reviewing their operations to optimize outreach opportunities. In this way, our current moment is an opportunity for nonprofits to strengthen their internal efforts, building strong, more resilient organizations for the future. ■

For More Information

Alan Tyson serves as the CEO of DATABASICS, an enterprise-grade time and expense management solutions provider, recognized by leading global organizations for its deep expertise, next-gen technology and customer-focused platform, including such nonprofits, associations and philanthropies as the Consortium for Ocean Leadership, The Trust for Public Land, ATSSA, Pathfinder International, National Quality Forum and the American Academy of Physician Assistants. Connect with Alan on LinkedIn or follow on Twitter @DATABASICInc.

Grants available for programs that encourage citizen civic involvement

The Herb Block Foundation is dedicated to defending basic freedoms, combating all forms of discrimination and prejudice and improving the conditions of the poor and underprivileged.

In support of that mission, the foundation is currently accepting funding proposals under its Encouraging Citizen Involvement grant program, which supports groups and programs that work to ensure a responsible, responsive democratic government through citizen involvement.

Grants under this program range from \$5,000 up to \$25,000 each. The deadline to submit a Letter of Intent is June 3.

According to the foundation's eligibility criteria, applicants must be nonprofit organizations classified as 501(c)(3) organizations by the Internal Revenue Service.

Proposals may focus on citizen education and greater voter participation in the electoral process. All projects must be nonpartisan and may not involve lobbying for specific legislation or candidates.

For more information, visit <https://www.herbblockfoundation.org>. ■

Conferences & Events

Cause Camp 2021 Annual Conference

The Cause Camp 2021 Annual Conference will be held virtually on May 11.

According to organizers, Cause Camp is an immersive boutique conference aimed at teaching nonprofits how to hone their skills and welcome change.

The event is presented by Nonprofit Hub and DO MORE GOOD, two online educational resources dedicated to giving nonprofits what they need to better their organizations and communities.

This year's conference will feature a range of programming, including keynote speakers and workshops that serve the interests of a wide variety of nonprofit thought leaders. Speakers lined up for this year's Cause Camp include:

- Julia Campbell, a speaker, trainer, consultant and author of *Storytelling in the Digital Age: A Guide for Nonprofits*
- Cierra Selby, nonprofit internal communications consultant.
- Peter Ross, founder of 829 Studios, which helps nonprofit clients transform their data into marketing strategies that blend creativity with technological sophistication
- Maryanne Dersch, founder of Courageous Communication, which specializes in helping nonprofit leaders increase their influence and be the change agents they have always wanted to be
- Bill McKendry, founding member and board president of DO MORE GOOD
- Tammy Charles, founder and chief strategist at Inovo Strategic Consulting, a global consulting firm that helps purpose-driven leaders to develop innovative and profitable business models to pursue social change

Registration fees for this event are \$39 for individuals and \$99 for teams.

For more information, visit <https://cause.camp>.

Engage for Good 2021 Conference

Engage for Good will hold its 2021 Conference virtually May 26–27.

According to organizers, Engage for Good is an annual gathering of corporate social impact

professionals from top corporate and nonprofit brands sharing trends, best practices and practical execution tactics for building a better world—and the bottom line. In the past, the conference has featured workshops on a variety of topics ranging from the neuroscience of diversity and inclusion to using behavioral economics to “nudge” consumers to donate to a cause.

Featured speakers for this year's conference had not been announced as of press time, nor had registration fees.

For more information, visit <https://conference.engageforgood.com>.

Points of Light Conference on Volunteering and Service

Points of Light will hold its annual Conference on Volunteering and Service virtually and in person July 14–16 in Orlando, Fla.

According to organizers, this conference is a global convening of nonprofit, government, business and civic leaders who connect, collaborate, gain and share the knowledge and resources needed to galvanize the power of people to create change.

The conference seeks to strengthen the social sector by providing innovative ideas and resources that make it easier for people in communities across the globe to find opportunities to do good in new and meaningful ways, for businesses to share best practices and develop custom solutions to drive transformative change in the communities where their employees live and work, for nonprofits to collaborate and build capacity so they may better meet their missions and to ensure that dedicated individuals and organizations are recognized for their commitment to taking action that improves the world.

Registration fees for this event had not been finalized by press time.

For more information, visit <https://bit.ly/3qzfr3n>. ■

**Have a nonprofit question
or story idea you would like to share?**

**Contact Nicholas King, Editor, at
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Fundraising

Nonprofit leaders urged to take advantage of PPP loans, invest in development

Nonprofit executives and their boards should get over their fears and consider applying for loans under the federal government's Paycheck Protection Program, and maximize the benefits of that funding by putting it to work in the most effective way possible: their fundraising and development departments.

That's the advice of Brian Davis, CEO of nonprofit services firm BryteBridge; Davis has advised hundreds of nonprofit clients on how to launch and grow their operations. His suggestion is for nonprofit leaders and their boards—regardless of financial circumstances—to apply for PPP funds and use it to pay the salaries for their development staff, which in turn bolsters their revenue streams going forward.

The program, which launched in April 2020, drew heavy criticism in the first few months of its rollout, mainly because many seemingly well-funded major corporations and global charities landed PPP loans when small mom-and-pop companies and similar-sized nonprofits missed out—something that Davis attributes to a lack of personal connections with financial institutions.

“Most small nonprofits don't have that kind of day-to-day relationship with their banks,” Davis said.

But even those organizations that did have easy access to the PPP application often struggled to get their “ducks in a row” when it came time to apply.

“The question became, were they prepared? Did they have all of the information and data as far as finances and governance?”

In the year or so since the program's rollout, Davis said nonprofits have gotten better on their end of things, and the government has improved as well with regard to ensuring smaller organizations have access to funds. But one thing that still stands in the way for some nonprofits is the fear that they will use the funds the wrong way, or somehow end up owing money they won't be able to easily pay back. After all, it is somewhat counterintuitive to take on additional debt obligations when an organization's revenues are down, as is the case with many nonprofits—the ability to repay the loan is uncertain for many organizations.

In other cases, nonprofits were wary about applying for the program when they had other funds available in emergency accounts, thinking that the program

somehow required applicants to show dire need. The worry there was whether the organization would be held accountable at a later date if their circumstances turned out to be not as bad as they thought.

All of those fears, Davis said, are overblown.

“Really, this was designed to be a grant program, and as long as they use the funds on staff salaries, the funds will be forgiven,” he said. It was designed with a lot of ambiguity, on purpose, he said, to provide applicants with plenty of flexibility to use the funds as needed to keep the lights on. Under the first round of PPP loans, the funds could be forgiven if they were used for payroll expenses, rent, mortgage interest and utilities. For the second round of funding, the eligible expenses that can be forgiven has been expanded to include software, cloud computing and other human resources and accounting needs; property damage costs caused by public disturbances that occurred during 2020 that were not covered by insurance; covered supplier costs; and covered worker protection expenditures and personal protective equipment to help a loan recipient comply with federal, state or local health guidance, including requirements issued by federal, state or local governments.

“For most organizations, the simplest way to ensure the funds are forgiven is to use them on payroll, which is actually how the loan amount is determined in the first place,” Davis said.

Nor do applicants need to demonstrate that they have no other funds at their disposal, he said. In fact, the program's designed so that you don't get to that stage, where you've exhausted all of your other sources of funding. It allows for you to keep your “rainy day funds” in the bank instead of depleting them to dangerously low levels.

Although the program is designed as an emergency backstop, Davis says nonprofits can get more out of it than that by investing the loan funds heavily in the one area of their operations that will pay off the most: development.

The old saying—it takes money to make money—applies here, he said.

“The development department needs staff to ensure the revenue pipeline continues bringing in
(See **DEVELOPMENT** on page 8)

Industry News

YouGiveGoods platform helps keep collection drives going for nonprofits

The social distancing and lockdowns that have shuttered physical workplaces across the country for the past year have made it necessary for the nation's nonprofits to get creative in how they raise money and keep their programs going. For corporate philanthropists, the details may be different, but the ultimate result has been similar: a need to find new ways to support their nonprofit partners that take into account the restrictions placed on them by the pandemic.

For cash grant programs, there have been few disruptions—a person-to-person contact isn't necessary to award funding, and many companies have kept up their financial support, or even increased it, during the pandemic.

However, other philanthropic programs that do require more intimate contact have suffered tremendously. This has been especially acute for peer-to-peer fundraising initiatives, but collection drives, which many workplaces hold throughout the year to raise funds and product for local charitable partners, have also been severely impacted.

With workplaces closed down—partly or totally—many companies have simply cancelled their usual collection drives, even flagship campaigns like the Toys for Tots drive during the holiday season. However, just as other fundraising programs have been able to switch to virtual platforms, so have collection drives. One in particular, YouGiveGoods, has seen major growth and success over the last year. The e-commerce charitable giving platform reportedly delivered record aid to nonprofits in 2020 when school and workplace closures created increased need in every community across the country.

The site provides a virtual collection drive platform that allows people to donate needed items to local nonprofits from the safety and comfort of their home—or even via mobile phone while on the go.

In total, over 1.5 million brand-new items, including food, toys and school supplies, were purchased for donation to nonprofits via YouGiveGoods in 2020, the company said. The products went to more than 1,300 nonprofits in all 50 states plus Washington DC and Puerto Rico.

A big part of the platform's success was thanks to a partnership it launched with Toys for Tots in summer 2020, responding to fears that the upcoming holiday

season would see huge drops in toy donations. YouGiveGoods hosted over 1,000 virtual toy drives during the 2020 holiday season—some 550 benefiting Toys for Tots alone—that garnered thousands and thousands of donated gifts for kids in need across the country.

As the platform explains, setting up and executing a virtual drive follows a four-step process:

- A charity's supporters can start raising goods for the organization by setting up a custom drive page.
- They then spark the support of their network of friends, family, colleagues and other social connections with built-in tools and tips available through the platform.
- Supporters then visit the customized collection drive page and purchase goods to donate to the nonprofit partner.
- When the drive ends, YouGiveGoods delivers all of the items purchased through the drive directly to the nonprofit recipient.

Currently, the site offers ready-to-go templates for collection drives in a dozen or so categories ranging from food and school supply drives to disaster relief campaigns and military support initiatives. Non-profit supporters, including corporate workplace giving departments, that are looking to design their own unique campaigns can work with the site to personalize them based on the needs of their nonprofit partners. The site also offers an array of tips and strategies for spreading the word, encouraging engagement and maximizing the impact of the drive.

Nonprofits who traditionally benefit from collection drives should work with their corporate supporters, and other organizations that typically would host collection drives on their behalf, to explore the idea of setting up a campaign on the YouGiveGoods platform or a similar site. It offers a relatively easy and cost-effective way to support their charitable partners — YouGiveGoods takes care of all the sorting, accounting, and distribution of the donated items, leaving the drive's organizers focused only on spreading the word and encouraging participation. So long as the pandemic limits in-person contact, campaigns such as this offer nonprofits a way to augment their operations at a time when many of their traditional resources have been diminished.

For more information, visit <https://yougivegoods.com>. ■

Nonprofit Research

Data show 2020 not as bad as feared, 2021 looking up

Now that 2020 is in the rearview mirror, data being tallied by researchers show that fundraising and charitable donations for the year weren't as bad as feared. In fact, total giving for the year looks to have improved from the year before, and surveys of donors suggest that more growth in giving can be expected for 2021.

Estimates of giving totals for 2020 were recently published by the Blackbaud Institute, a research division of cloud software firm Blackbaud, in its ninth annual Charitable Giving Report. Tracking over \$40 billion in U.S.-based charitable giving from the Blackbaud Institute Index, the report is based on total giving data from 8,833 nonprofit organizations reporting overall fundraising revenue plus data from 4,964 nonprofit organizations that reported a total of \$3.2 billion in online fundraising revenue.

Key findings from the 2020 Charitable Giving Report include:

- U.S. charitable giving grew 2% year-over-year, representing an increase of more than 5% over the last three years.
- Online giving grew by nearly 21%, representing more than a 32% increase over the last three years.
- A record 13% of fundraising came from online donations in 2020.
- Nearly 30% of all online gifts were made from a mobile device.
- Donation amounts increased, with overall donations averaging \$737 (a \$120 increase year-over-year) and online donations averaging \$177 (a \$29 increase year-over-year).
- Though nonprofits saw a significant drop in charitable giving in April, May and June, giving made a recovery in the second half of 2020 that meant the year ended in the black for the sector as a whole.

With that research as a backdrop, another study—from FrontStream, an online fundraising platform serving the social sector—shows that nonprofits can expect donors to build on their support in 2021. According to FrontStream's first annual State of Charitable Giving and Donor Engagement Survey, a full 87% of respondents plan to donate to charitable organizations in 2021; 19% plan to give more than

they did last year.

Broken down by generation, Millennials look to be the most generous, with 55% planning to give at least \$500 in 2021, the report said. That's followed by Gen Xers at 44%, Gen Zers at 33% and Baby Boomers at 26%, the report said.

The report also looked at donor preferences, in terms of which types of giving they plan to take part in—and how—and what their preferred forms of communication are.

When asked which virtual fundraising events donors would be interested in participating in, the top selection for respondents was “virtual activity-driven fundraising event” (39%), followed by “donate directly online” (38%), “virtual livestream videos” (34%), “virtual auctions” (23%) and “virtual galas” (22%), the study said.

Most donors also plan to donate multiple times per year, instead of all at once. In fact, more than half of survey respondents (57%) said they typically donate four or more times per year. When broken down by age, 42% of Gen Zers and 44% of Millennials are most likely to give quarterly, whereas Gen Xers and Baby Boomers (29% each) are more likely to give two to three times per year.

Those donors are open to a combination of virtual and in-person fundraising campaigns. When asked, “How do you tend to donate money?” the top response was “online to friends, families or coworkers fundraising on behalf of a charity/nonprofit” (46%), followed by “donate money directly via the charity website” (38%), “donate money in-person to fundraisers outside of my network” (37%) and “donate money in-person directly to friends, families, coworkers who are fundraising on behalf of a charity/nonprofit” (36%). Some 29% of donors prefer to mail in their donations, the report said.

The same goes for methods of communication: Donors are open to a mix of online and traditional forms of engagement, the survey found.

According to FrontStream, 37% of survey respondents said email was their preferred method to be contacted by a charitable organization regarding an

(See **DATA** on page 8)

DEVELOPMENT (continued from page 5) _____
funding,” he said. That means making investments in monthly or major donor programs, online and digital fundraising campaigns and other initiatives that are needed to bolster or even replace the revenue streams that have dried up because of the pandemic. Nonprofits might balk at trimming funding for programming or other areas while bulking up in development, but they shouldn’t, he said.

“The priority right now really should be in development.”

That also goes for any “rainy day” funds that organizations have squirreled away. As noted, the PPP funds are meant to enable nonprofits to keep those emergency funds in the bank. But they may want to consider drawing on them in certain cases, Davis said.

“Generally, I say, if you can keep them in the bank, do so,” he said. “But, if there’s an opportunity that arises, where you can leverage those funds—say, scoop up a really in-demand executive, or make other strategic investments that will improve operational effectiveness, like new technology or new donor acquisition, it might be a good use of those funds,” he said.

If organizations end up needing to make additional cuts, even with the PPP funds in place, Davis said one option would be to outsource some of the tasks that development staff takes on.

“As we know, these people wear many hats and do lots of things in addition to their regular duties,” he said. “By hiring outside grant writers, for example,

that staff is freed up to focus on other things—like developing a recurring donor program or new fundraising campaigns.”

They may need to revise their strategic plans and rebalance their goals and budgets to account for these changes, he added. ■

For more information

Brian Davis is CEO of Winter Park, Fla.-based Bryte-Bridge (formerly CharityNet USA), a leading provider of nonprofit services that focuses on nonprofit start-up, growth and compliance. *For more information, contact Davis at (877) 857-9002 or visit <https://brytebridge.com>.*

DATA (continued from page 7) _____
upcoming fundraising event, followed by direct mail (34%) and a phone call (29%). When broken down by age, Gen Zers prefer to be contacted by text message and direct mail, Millennials prefer phone calls, Gen Xers prefer email and Baby Boomers prefer direct mail, the survey said.

Together, the two research reports show that the donor public has responded to the urgent financial needs of the causes they care about—and intend to continue their support as 2021 wears on.

For more information, the Blackbaud study can be found online at <https://bit.ly/2Mdr9Sc> and the FrontStream report can be accessed at <https://bit.ly/3pL9jnt>. ■

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Resources

Charityhowto.com webinar explores board fundraising strategies

Nonprofit resources website *Charityhowto.com* will host a webinar titled *Get Your Board to Give Their Biggest Gifts and Help You Fundraise* on April 6 and April 13 at 3:00 p.m. EST and 1:00 p.m. EST, respectively.

According to organizers, nonprofits could accomplish much more if all of their board members contributed their best gifts and were enthusiastically involved in helping the organization fundraise. But that's not going to happen unless nonprofits educate their boards and develop a strategic plan for their involvement.

Your board must lead the way in fundraising if your organization is going to fulfill its vision and have the impact everyone wants, and that requires a well thought-out, formal board solicitation process and a detailed plan for how to strategically involve board members in fundraising.

This webinar, led by Brian Saber, the president of fundraising firm Asking Matters, will teach attendees how to:

- Create a board culture where the importance of giving and helping fundraise is clearly understood and embraced
- Develop a board process that will raise the level of board giving
- Educate your board on what it means to be involved in fundraising as a board member

Registration fees for this event are \$87.

For more information, visit <https://bit.ly/37iDXhm>.

Webinar looks at using texting in staff and volunteer training

Nonprofit resources website *Charityhowto.com* will host a webinar titled *Texting and SMS for Nonprofits: How to Train Your Staff and Volunteers With Texting* on March 31 and April 6 at 3:00 p.m. EST and 1:00 p.m. EST, respectively.

According to organizers, this 90-minute interactive webinar will show attendees step-by-step how to create and implement a micro-learning training curriculum completely through text messaging. This can be used to train staff, board members and volunteers within your organization.

The webinar will be led by Ann Marie Ronsman, a pioneer and industry expert in the use of text

messaging for training in the nonprofit industry, and Alli Stephens, a nonprofit communications specialist who has piloted the development of successful marketing strategies and organizational development plans.

Among other things, Ronsman and Stephens will teach attendees:

- How to evaluate changing communication and training trends
- How to understand the benefits of mobile technology
- How to engage your staff, volunteers and board through mobile technology
- How the use of mobile technology overcomes common challenges of training in nonprofit organizations
- How to assess if training through text makes sense for your organization
- How to start a YouTube channel to serve as a video host platform for training content

Registration fees for this event are \$77.

For more information, visit <https://bit.ly/3dkgArS>.

Candid webinar offers tips for sustainability planning

Candid will host a webinar titled *Sustainability Planning: Where Matching Grants and Capacity Building Meet* on April 15 at 2:00 p.m. EST.

According to organizers, foundation grantmaking is on the rise and in 2019, hit record levels. Grants should only be one part of your funding plans, but they can be well worth the time commitment required, assuming they are cultivated correctly. Often, grants—especially matching grants—can help leverage your hard work to increase the organization's sustainability, which makes matching grants an ideal funding stream for long-term growth. Nevertheless, although much of the process is the same, matching grants do require more preparation than a traditional proposal, the organizers said. This webinar, led by Mandy Pearce of Funding for Good Inc., will explore that process and teach attendees:

- How to break down the key components of sustainability planning
- How matching grants can be a useful tool in creating long-term sustainability
- Some quick tips for including a capacity-building component into every proposal/appeal

Registration fees for this event are \$25.

For more information visit <https://bit.ly/3aqLwod>. ■

Employment Law

Here's a look at several recent notable lawsuits involving nonprofits. Nonprofits should regularly review employment laws and their compliance efforts to avert similar issues.

Title VII

Judge rules against Navy over harassment claim

The plaintiff worked for the U.S. Navy as a painter. Both the plaintiff's supervisor and the shop resources manager recommended to the administration on April 20, 2016 that the plaintiff be fired because of persistent tardiness.

Unaware of those recommendations, the plaintiff reported to her supervisor on April 22 that a male co-worker had been harassing her for months by regularly: (1) making sexual jokes, (2) asking questions about her sex life, (3) sending her unwelcome texts and (4) staring at her buttocks. She also provided the supervisor with the names of three co-workers who allegedly witnessed some of the harassment.

An administrator immediately met with the plaintiff and told her schedules would be adjusted during the pendency of an investigation so she wouldn't be on the same work crew with the accused.

As another part of the Navy's response to the complaint, the work chief was promptly instructed to keep the plaintiff and the accused separated at all times.

The plaintiff reported in vain to the work chief during her April 25 shift: (1) she and her crew were working in a small room, (2) the accused's crew finished its work early and chose to hang out with the plaintiff's crew and (3) the accused was in that small room staring at her buttocks.

The plaintiff was fired on April 27 for the stated reasons of (1) persistent tardiness and (2) violating a cell phone rule.

The Navy continued its investigation after the plaintiff's termination.

After each of the witnesses she had identified denied seeing any misconduct, the Navy concluded in June that the sexual harassment allegations were unsubstantiated.

The plaintiff filed a suit, and one of her claims was sexual harassment in violation of Title VII.

She also claimed the witnesses had lied because they wanted to keep their jobs.

The defendant filed a motion for summary judgment.

The plaintiff conceded (1) the Navy had acted

quickly when it learned about her accusations on April 22, and (2) its plan to assign her and the accused to different crews appeared to have been reasonably calculated to keep them apart.

However, she argued the Navy's plan was rendered ineffective because even though the work chief had been instructed to keep the two apart, his refusal to do anything about her April 25 complaint allowed the accused to continue ogling her buttocks for the remaining hours of her shift on that day.

The Navy responded that staring didn't amount to sexual harassment.

EMPLOYEE WINS → Even though there were cases holding that staring wasn't harassment, the district court judge said there wasn't any law mandating that an employer was only liable for misconduct that happened after receiving a sexual harassment complaint if it was severe or pervasive.

He allowed the sexual harassment claim to proceed, ruling a jury would decide whether the Navy's plan had been effectively implemented.

[*Mellinger v. Braithwaite*, U.S. District Court for the Western District of Washington, No. C18-5838, (08/31/2020)]

Disability

Judge denies Rehabilitation Act claim

The plaintiff was a veteran with anxiety, anemia, bipolar disorder, sleep apnea, post-traumatic stress disorder, memory loss and diabetes.

When she began working for the U.S. Department of Veteran Affairs in May 2016 at its Alexandria hospital, the plaintiff was assigned to the call center.

As a new hire, the plaintiff was subject to a one-year probationary period.

At the beginning of March 2016, the call center supervisor sent out an email instructing all personnel about the proper procedures for handling calls.

On March 7, the plaintiff visited an EEO officer to gather information about how to file a formal complaint because some employees had allegedly made unspecified derogatory statements about her status as a disabled veteran.

The supervisor gave the plaintiff a written counseling memo a week later because of complaints about

the way she was handling calls. The plaintiff allegedly confessed at that time that she didn't read the earlier email about proper call handling.

The plaintiff was then assigned to retrain with an experienced call center employee.

However, she was fired a few days later because she allegedly shouted at her co-workers during the training session. The March 29 termination letter stated the reason was failing to follow her supervisor's instructions.

The plaintiff filed a suit, and one of her claims was a violation of the Rehabilitation Act.

She alleged the termination was in retaliation for visiting the EEO officer.

The VA filed a motion for summary judgment.

It didn't dispute that visiting the EEO officer was protected by the Rehabilitation Act, but instead argued the plaintiff hadn't demonstrated the visit was the sole reason she was fired.

The district court judge explained the Americans with Disabilities Act merely required proof that a protected activity was one of the reasons for termination, but the Rehabilitation Act instead mandated that the plaintiff prove it was the sole reason.

EMPLOYER WINS → He acknowledged the timing was suspicious because there was a very short period of time between her visit with the EEOC officer and her termination. However, he said the plaintiff hadn't alleged any facts tending to show that any VA employee involved in the termination decision was aware of her visit. Accordingly, he ruled the plaintiff hadn't shown a causal connection between the two events.

Assuming for the purpose of argument that she had made such a showing, the judge also ruled the plaintiff hadn't disproved the legitimate, non-discriminatory basis for being fired. He said there were several instances of the plaintiff's insubordination and poor performance, and her status as a probationary employee meant those incidents alone sufficed as reasonable grounds for her dismissal.

He acknowledged the plaintiff's argument that her performance wasn't deficient, but ruled the evidence amply supported a finding that she wasn't meeting her supervisor's expectations.

The judge entered a summary judgment in favor of the VA.

[*Volson v. U.S. Department of Veteran Affairs*, U.S. District Court for the Western District of Louisiana, No. 1:18-CV-01633, (08/17/2020)]

Discrimination

Judge rules in favor of employee in performance evaluation case

The plaintiff was a Black woman who worked for the Hartford Veterans Affairs regional office.

When she received a "Fully Successful" performance rating from a white male supervisor in 2017, the plaintiff filed a suit claiming discrimination in violation of Title VII.

The plaintiff alleged she was entitled to an "Exceptional" rating and the "Fully Successful" rating limited her financial and promotional opportunities.

The plaintiff also alleged that a white male co-worker was rated "Exceptional" even though (1) her work assignments were more complex than his, (2) he had recently been disciplined for being absent from work and (3) his work performance wasn't as good as hers.

The defendant filed a motion to dismiss, arguing the plaintiff hadn't alleged the requisite "adverse employment action" caused by discrimination because a "Fully Successful" employment evaluation wasn't negative. It also contended that even a negative evaluation wasn't an adverse employment action unless there were accompanying adverse consequences.

The district court judge said the plaintiff was required to allege: (1) she is a member of a protected class, (2) she was qualified for her position, (3) she suffered an adverse employment action, and (4) facts that at least minimally supported the proposition that the employer was motivated by discriminatory intent.

He also explained that an "adverse employment action" involved a materially negative change in the terms of employment that was more disruptive than a mere inconvenience or an alteration of job responsibilities. He gave as examples: (1) termination of employment, (2) a demotion, (3) a less distinguished title, (4) a material loss of benefits and (5) significantly diminished responsibilities.

EMPLOYEE WINS → The judge acknowledged that a poor performance evaluation wasn't by itself an adverse employment action, but ruled the "Fully Successful" evaluation assigned to the plaintiff qualified because of her allegations about negative financial and advancement consequences.

He also ruled the plaintiff had sufficiently alleged that the defendant's evaluation was motivated in part by discriminatory intent, explaining that the initial burden of establishing that an adverse employment action occurred under circumstances giving rise to an inference of discrimination was minimal.

The judge explained that the plaintiff had the option of alleging facts that either (1) directly showed discrimination or (2) indirectly showed discrimination by giving rise to a plausible inference of discrimination. He explained that indirect evidence could include allegations that similarly situated employees outside of the plaintiff's protected class were treated more favorably.

According to the judge, courts generally looked to whether a plaintiff and the other employees were (1) subject to the same performance and discipline standards and (2) engaged in similar conduct.

The judge denied the defendant's motion, ruling the plaintiff had met her burden by alleging a white male supervisor assigned a higher evaluation to a

white male employee despite that worker's disciplinary issues and poor performance.

[*Claytor v. Wilkie, Secretary of the United States Department of Veterans Affairs*, U.S. District Court for the District of Connecticut, No. 3:19-cv-01363, (08/28/2020)] ■

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Simply visit Facebook and search for *Nonprofit Business Advisor*. See you there!

News

Benevity launches Impact Labs as new incubator and resource hub

Corporate social responsibility and employee engagement company Benevity Inc. has launched a new division dubbed Benevity Impact Labs, which it says will act as an incubator and resource hub bringing new data, research and insights to help companies, nonprofits and individuals maximize their social impact.

As Benevity explained in a statement announcing the initiative, expectations of corporate social responsibility changed dramatically in 2020 as the world battled a global pandemic, a devastating economic downturn, a reckoning on racial injustice and disastrous manifestations of climate change. Many companies released statements of support and solidarity, but critics said it was too hard to pinpoint any tangible, measurable actions taken by the corporate world. Benevity Impact Labs will help companies push back against the idea of "purpose-washing" by giving them cutting-edge data, insights, inspiration and resources to develop an authentic corporate purpose strategy and showcase how their actions are driving measurable change.

According to the company, Benevity Impact Labs will combine Benevity's robust data and insights capabilities with third-party research to report on the top trends shaping corporate purpose. With access to the world's most iconic brands, this initiative will bring industry-leading resources that can be used by companies, causes, partners and the broader community

to capture and measure the full range of impact from their strategies and investments, the company said.

For more information, visit <https://benevity.com/impactlabs>.

Bloomerang acquires online fundraising firm Kindful

Bloomerang, a leading provider of cloud-based donor management and fundraising software for nonprofits, has acquired Kindful, a nonprofit software platform known for its third-party application integrations and online fundraising tools. The combination of donor engagement insights provided by Bloomerang and Kindful's strengths in online giving and integrated applications, is expected to bolster Bloomerang's efforts to deliver a donor management and fundraising platform that meets the challenges of today and in the future.

According to Bloomerang, the combined company will offer nonprofits the opportunity to deploy a modern, easy-to-use donor management, donor communication, fundraising and reporting platform that supports the complete donor lifecycle and integrates with the broader nonprofit application ecosystem. Bloomerang will also continue to provide fundraising education and resources through its research initiatives, webinar series and consultant network. Together, the combined company will support tens of thousands of nonprofit professionals globally, Bloomerang said.

For more information, visit <https://bloomerang.co>. ■