FUNDRAISING

Keys to the Cashbox

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CONTENTS

Each article in this issue is also found on our website, MusicalAmerica.com, in the Special Reports section.

Introduction

After putting this issue together, I've come to believe that fundraising is an art form. After all, it requires creativity, skill, and discipline; it strives to educate and attract new audiences while continuing to nurture its current ones; its end results are recordable; and most of the people who practice it want something in return for their efforts.

Perhaps the most important thing to acknowledge about fundraising is that, as in life, technology has changed the game. While the time-honored techniques of wining, dining, naming, and nurturing remain cornerstones of the art form, we now have friending, following, liking, and tracking to add to the mix. Plus, all the data being generated from customer-relationship-management tools are giving us the ability to actually quantify our efforts.

To identify some of the more advanced trends in nonprofit fundraising, we took a look at a couple of non arts-related organizations. In _Social Fundraising_, Beth Kanter points out that over 45 percent of nonprofits are now fundraising through social networks and platforms. Examples include Wiser Earth, a network of environmental activists that raised $50,000 through Crowdrise, one of the multitude of crowdsourcing networks available. Another article focuses on _Kickstarter_, and another on the nuts and bolts of _Turning Likes, Friends, and Followers into Donors_ by tracking them—getting to know who they are and what they're responsive to.

Armed with that information, argues fundraising consultant Steve Jacobson in _It's All in the Data_, you can actually measure the effectiveness of your campaigns, strategies, and even your development officers. Small wonder that "you can't manage what you don't measure" is one of his mottos.

Moving into more traditional territory, Heidi Waleson describes a number of unusually successful campaigns, including one by Columbia University that raised $7 million online in one day by setting up a competition among its 16 schools and programs for the biggest haul. I'd spoil the fun if I described what _Wearing Your Cause on Your Face_ is all about, but it's another success story. _What's in a Name_ zeroes in on a few examples beyond bricks and mortar, and the New World Symphony has provided us with excerpts from the chart that helped to fund its snazzy New World Center in Miami.

And just to be sure that you don't get too creative, lawyer/scribe Robyn Guilliams points out some of the legal landmines you might step into, even unwittingly, in _Beware the Ask_.

We hope these tools will be of help, and maybe have a little fun in the process.

Regards,

Susan Elliott
Editor, Special Reports

SOCIAL MEDIA + FUNDRAISING = SOCIALFUNDRAISING

an Essential Tool

By Beth Kanter

Social fundraising—using social media to raise funds—is here to stay.

Here's the reason: it works. Over 45 percent of nonprofits are now fundraising through social networks and various social-fundraising platforms, according to the Nonprofit Technology Network (NTEN) Benchmark Study 2012. The social-fundraising platforms include services such as Causes, Razoo, Fundly, Crowdrise, or Indiegogo.

While individual dollar amounts are modest—usually in the $10,000 range—the collective total is increasing. Network for Good's quarterly Online Giving Index, which analyzes online fundraising sources, reported that social giving increased in the first half of 2011 as compared with the first half of 2010.

There are many benefits to social fundraising. Chief among them are increased awareness and closer communication with donors and patrons, in addition to the donors' ability to pass appeals on to their own networks. All in all, it's safe to now call social fundraising an essential tool for raising money.

EXAMPLES OF HOW CAUSE-RELATED NONPROFIT ORGANIZATIONS ARE USING SOCIAL-FUNDRAISING

EXAMPLE 1
Wiser Earth Leverages its Network for Dollars

Wiser Earth, a network for environmental activists, set up a campaign on Crowdrise with the following goals

- Raise $50,000
- Increase donor base by 50%
- Increase community engagement

The overall strategy was to make their members feel that they could make a difference with a small donation. This was Wiser

BETH KANTER

Beth Kanter is a specialist in the use of social media and networked approaches for nonprofit organizations. She blogs regularly on the subject and has co-authored two books: The Networked Nonprofit and Measuring the Networked Nonprofit. Named one of the most influential women in technology by Fast Company and one of Business Week's "Voices of Innovation for Social Media," Beth is Visiting Scholar at the David and Lucile Packard Foundation 2009–13.

Earth's first venture into social-fundraising and the first campaign not just done by staff or board. Executive Director Peggy Duvette explains that they also involved their members in planning the campaign, which she knew would be critical to success. Plus, they identified influential members of the community who could serve as "champions" and provided a space online for coordination, cheerleading, and lots of ideas and examples for members to conduct their own fundraisers on the Crowdrise platform.

Other actions that made the campaign successful included lining up a donor to match their goal and offering incentives,

THE TEAM: $55,227 TOTAL RAISED SO FAR — JOIN THE TEAM

WISER.ORG — AMOUNT RAISED: $40,502 — 62% Raised of $65,000 Goal

PEGGY DUVETTE — AMOUNT RAISED: $9,540

CE SALTER — AMOUNT RAISED: $1,254

OZ BASARIR — AMOUNT RAISED: $1,024

CAMILLA BURG — AMOUNT RAISED: $848

WIBOWO SULISTIO — AMOUNT RAISED: $765

KATHERINE BRAY — AMOUNT RAISED: $600

C. M. SAMALA — AMOUNT RAISED: $500 — 100% Raised of $500 Goal

SEPTEMBER CAMPAIGN 2012

The people of Rwanda are rewriting their story. And it starts with clean water for everyone.

▶ PLAY

such as an iPad for the person who brought in the most donors. Above all, says Duvette, "We made it fun and we thanked our donors within 24 hours."

EXAMPLE 2
Charity: Water Makes
a Splash by Turning Friends Into Fundraisers

September 18 is Paull Young's birthday. But, back in 2008, he didn't ask for the newest iGadget or a dinner out as presents. This social media consultant wanted to do something meaningful to celebrate his birthday, so he decided to give fundraising a whirl. Young joined Charity: Water, an organization dedicated to providing drinking water to people in developing nations and a pioneer of social fundraising, via what has now become its "September Birthday" campaign. Young reached out to his family and friends, using social networking tools like Twitter, and his happy birthday raised over $800 for Charity: Water to build wells in Ethiopia.

Fast forward a couple of years, and social fundraising is a big part of the organization's tool box. Through its own online social network, My Charity Water, launched in 2009, it has raised $22,111,457.

For its sixth anniversary in 2012, Charity: Water raised enough money to purchase a drilling rig for a partner in Rwanda that will provide access to clean and safe drinking water to 40,000 people a year. It surpassed its online goal of $1.7 million, raising over $2 million.
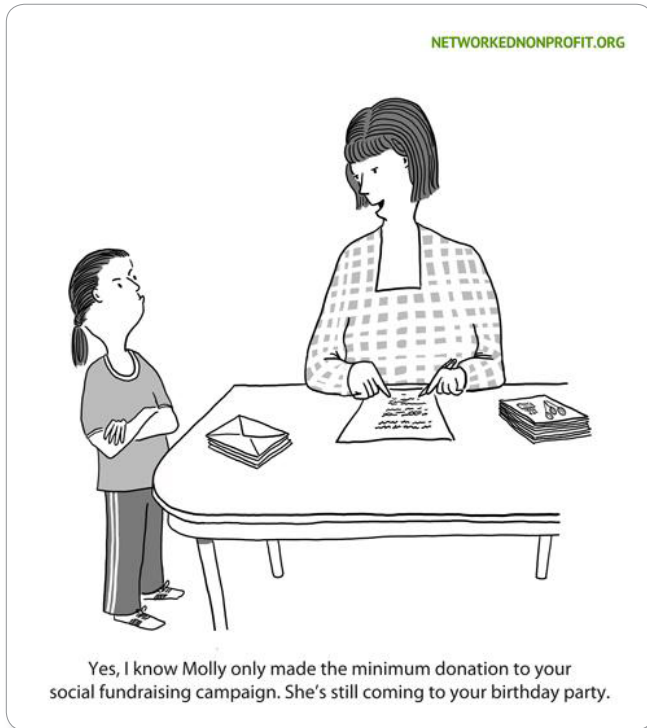
Over the years, Charity: Water has tracked its conversion rates from page visitors to donors to fundraisers. "We keep a close eye on Google Analytics," says Young, who has since joined the organization, "to ensure that enough people are visiting the campaign page. We also keep a close eye on the video views for the campaign trailers." [See above.]

Charity: Water's overall strategy revolves around building a grassroots movement for clean water based on the power of (cyber) word-of-mouth. As Young notes, "First, we aim to inspire with content: The two videos on the campaign page, which have had a great reaction, plus info-graphics explaining the campaign and images, banners, and other content available for campaigners."

They use a variety of predominantly online tools to spread the message to their audience: emails, personal outreach to supporters through Facebook and Twitter, and placement of ads in donated media spots. Says Young, "Once we drive people to the September Campaign page, we inspire them to fundraise. Supporters begin their own grassroots marketing campaign for the drilling rig. So 1,200 September Campaigns become 1,200 word-of-mouth efforts. For example, for my personal birthday fundraiser, I've been communicating regularly with my closest friends and family to connect them with the story of the rig."

They do a lot of A/B testing of landing pages and calls to action. Says Young, "For example, we used Optimizely to run a test of three different video thumbnails on the page to see which one would drive more engagement from users. We tested an image of our founder, one of the rig, and a shot of a child drinking

Yes, I know Molly only made the minimum donation to your social fundraising campaign. She's still coming to your birthday party.

Artist: Rob Cottingham

Performance metrics measured for Charity: Water's September campaign, determined in advance, included traffic to the page, number of campaigns started, and average amount raised by each. "We also knew that matching grants and other revenue opportunities contributed to our goal, so we kept an eye on those."

Young's final words of wisdom about measurement: "There are a plethora of free tools you can use for online measurement (Google Analytics, Bit.ly, Facebook Insights, Radian 6, and hundreds of others), but it is easy to get lost in the details. Identify the key metrics that matter for you and remember: The greatest analytics engine of all is the human brain!" ma

water. Then, after two weeks, we chose the image with the best results to remain on the page."

Young's advice about using measurement for social fundraising: "If you are set up to measure something the right way, every test is valuable, even if you don't get the result you hoped for. Define clear objectives [in this case, raising money and multiplying personal networks] that tie directly to your mission and monitor them rigorously."

FAST COMPANY'S
SEVEN APPS EVERY FUNDRAISER
MUST DOWNLOAD NOW
[Click to read full description of app]

1. Fundraising Basics
2. Cozi
3. PayAnywhere
4. Keynote
5. DonorPerfect
6. giveonthemobile
7. ThankYouPro

FOUR FUNDRAISING APPS
RECOMMENDED BY FACEBOOK
[Click to read full description of app]

1. justgiving (Uk-based); FirstGiving is the US version
2. WeTopia
3. FundRazr
4. Causes

COMPETITIVE FUNDRAISING

HOW COLUMBIA UNIVERSITY

RAISED $7 MILLION ONLINE IN 1 DAY

By Heidi Waleson

And broke its own previous record by a multiple of 5

Last October, Columbia University combined academia's built-in spirit of competition with a red-hot deadline and managed to raise $6.9 million in a single day—five times more than its previous one-day fund drive. Inspired by the state-wide "Give to the Max Day" in Minnesota, "Giving Day" pitted the alumni of Columbia's 16 schools and programs, ranging from the School of Social Work to Athletics, against each other to see which ones could raise the most money online in 24 hours.

Key to the project was the challenge match: Trustees contributed $400,000, which was divided among three categories: $250,000 for the top five money-raisers; $120,000 for the top five participants; and $5,000 for the top six winners of the hourly events posted on the challenge web site. Each program was responsible for its own promotion, and most posted the event on their web sites.

Columbia College came in first with $1,282,986, earning 31 percent of the $250,000; the School of Continuing Education took first place in the participation challenge, earning a bonus of 40 percent of $120,000; and the top six schools in the hourly contests each earned a $5,000 bonus. The competition drew 5,300 contributors; 40 percent were either first-time or lapsed donors; 50 percent were first-ever online givers to Columbia.

"We wanted to create something that incentivized people through competition," says Nancy Wong, associate director of
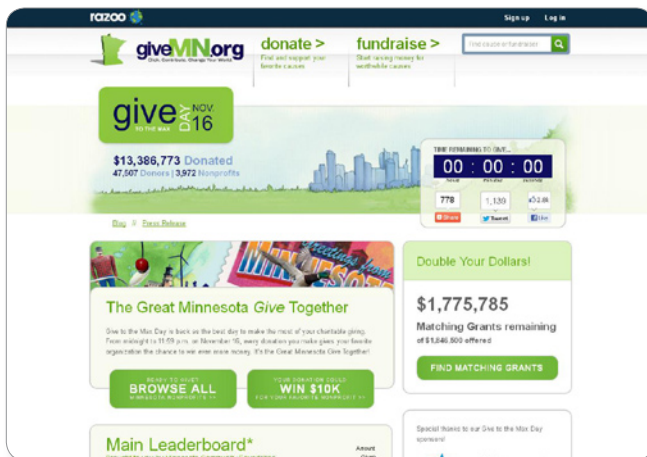
HEIDI WALESON

Heidi Waleson is the opera critic for The Wall Street Journal *and writes about the performing arts for a variety of national and international publications.*

the annual fund programs. Some programs set up their own intramural competitions. Athletics' coaches contacted alumni team members to spur them on. ("Track and Field is $20,000 ahead of us!, C'mon you Swimming alums!")

"At the same time," continues Wong, "the one, overarching message was, '[you can] support students, research, and programming that changes lives, no matter where you give within the university.'"

She explains how that single, successful day was a year in the planning. Development staff researched similar programs and raised the matching funds from trustees. Techies set up the dedicated Giving Day web site, Facebook pages, banner ads for the various schools to use on their individual web sites and Facebook pages. Donations could be accepted at multiple portals. Alumni from the different schools were asked to serve as leadership givers.

The publicity roll out began October 1, with announcements on Facebook, Twitter, the Columbia magazine and web site, and on each of the different schools' web sites and Facebook pages. Some schools sent postcards; most emailed their alums. The university's call center was used to alert alumni to the Big Event.

Giving Day began at midnight, so donations started out slowly, but had picked up steam by 9 a.m. To keep the momentum going, live events were streamed on the Giving Day web site, starting with a Deans' roundtable, followed by an interactive webinar with neuroscientist and Nobel Laureate Eric Kandel. Real-time fundraising tallies were posted on both the Giving Day site and the Facebook page; as alumni made donations, they encouraged their friends to do so through Facebook postings. To keep things moving in the afternoon, six prizes of $5,000 each were offered for hourly challenges, such as "Most International Donors" from 2 p.m. to 3 p.m. (won by the Business School) or "Random Donor" from 6 p.m. to 7 p.m. (won by Engineering and, at a later challenge, Journalism).

Since "Giving Day" was devised to "elevate people who give smaller gifts into the limelight," Wong says, she was surprised at how the effort also energized some major Columbia donors. The School of Engineering actually got a $2.5 million gift, and a major donor to the College, reacting to the pride of winning the challenge, matched its $1.2 million the following day. (To keep a level playing field and give the smaller schools a chance to win, the challenge only counted $250,000 of any gift.) As for the goal to attract new donors, Giving Day collected some who weren't in their databases but were friends of alumni. Columbia is now planning next year's university-wide Giving Day, also next October. **ma**

What's in a **NAME**?

More Than You Might Think

Stories from the front lines of the naming game

By Heidi Waleson

From bricks and mortar to conductor podiums and concert series, naming opportunities are a crucial tool in any fundraiser's bag of tricks. But seller beware: sometimes flaunting the largesse of an individual or organization can be a complex, not to mention political, exercise. Here's how a few arts groups are handling the name game.

Naming an Art Museum in Miami

The Miami Art Museum plans to open its new building in December 2013 as the Pérez Art Museum Miami (PAMM). Trustee Jorge M. Pérez, a Miami real estate developer reported to have a personal fortune of $1.2 billion, pledged a $35 million gift ($20 million in cash, $15 million in artworks) for the naming rights not only for of the structure, designed by famed Swiss architects Herzg and de Meuron, but for the institution itself. But after the gift and naming were announced in December 2011, several board members went public with their objections. They claimed Perez's $35 million was not enough of a percentage of the $120 million private fundraising goal. (The total price tag of the project was $220 million, with $100 in public funds.)

The name change did in fact cost the museum some supporters, but Pérez's participation also brought in new ones like Stephen Ross, owner of the Miami Dolphins, who donated $1 million last May. And while one might think that naming a building for a single donor would have a dampening effect on other givers, fundraising professionals insist that the opposite is true—that it can in fact inspire others. "Donors can chose where they give," says Tamar C. Podell, senior vice president, planning and development at Lincoln Center. "Some want to give to named institutions, some do not. It's mostly about what goes on in those institutions, and if a donor is compelled by the leadership of the institution."

> "The name change lost the museum several supporters."

Could the Miami backlash have been avoided? Joan Desens, director of institutional advancement at the Glimmerglass Festival, notes that it is important to state naming values for every aspect

of a project before fundraising begins. "You can't let it be random," she says. "Every organization has to decide for itself what the appropriate naming number is. There's no hard and fast rule. In one community, a gift of 20 percent might be required to leverage the remaining money; in another, 30 percent or 50 percent."

NAMING IN PERPETUITY? NO MORE.

Naming is increasingly being presented as a time-limited opportunity. When the New York State Theater was renamed the David Koch Theater in 2008 in return for $100 million, the term was for 50 years; Koch's heirs have the option to retain the name with a further donation at the end of that time. Terms of 20 or even 10 years are now considered, depending on the amount of the gift. "Naming in perpetuity has mostly gone by the board," says Podell. "We don't want to hamstring our future colleagues."

Sponsoring a Dancer in Atlanta

At the Atlanta Ballet, donors can sponsor individual dancers through the "Pas de Deux" program. Currently, half of the company's 21 dancers have sponsors, whose names are listed in the playbills and on the Atlanta Ballet web site at the end of the dancer's bio. The program,

which started in 2004, supports the annual fund. Sponsorships are renewed each year, and some dancers have been supported by the same donor for many years.

Atlanta Ballet dancer Tara Lee has an individual sponsor, through the company's "pas de deux" program.

A sponsorship requires an annual-fund contribution of at least $5,000, although most end up being $10,000 or more, often from trustees. (The Cincinnati Ballet, which also has a sponsorship program, sets contribution requirements for each company level, ranging from $5,000 for a principal dancer to $350 for a trainee; Atlanta, a non-hierarchical company, does not make distinctions among the professional dancers, though a fellowship student can be sponsored for a smaller contribution of $2,500.)

For some Atlanta donors, sponsorship represents an incentive to increase giving. "It's an opportunity to build a relationship with a particular dancer," says Director of Development Lisa Dabney. Perks include coming to watch rehearsal with that dancer, and sponsors bond with their dancers over time. "They get friendly; the donors will take them to lunch or invite them for dinner," Dabney says. "It gets a little competitive: once there were a couple of people who wanted one dancer, and there was a lot of negotiating on the waiting list." Dabney also notes that the patrons take great pride in telling their friends and colleagues about their sponsorship. The Pas de Deux program raises about three percent of the company's annual fundraising goal.

Endowing an Administrator in New York

On Lincoln Center's executive staff list, Jane Moss is identified as the Ehrenkranz Artistic Director. Anne and Joel Ehrenkranz have endowed her position in perpetuity, a practice more common to professors, conductors, principal players, and the like, regardless of who occupies the position. The Ehrenkranz gift is tied to what the

incumbent is doing. "It came about because a board member and generous donor became enthralled with the programming that Jane was creating," says Lincoln Center's Podell. "He and his wife were considering a gift, and wanted to put a spotlight on it."

Naming an administrative post represented a "bold new step" for Lincoln Center, says Podell, who is eager to do more of the same. "We have some wonderfully talented people here, taking us in new directions in the arts, and I would love to associate donors with them. We're trying to look at creating program endowment funds in the same way. There could be someone who is passionate about digital media who would like to endow a digital-media fund, for example. We can slice and dice a lot of what we offer here and make a designated fund."

"There's only so much bricks and mortar," Podell says, though, in the most recent upgrade of the campus, many of the improved spaces were named—like the Laurie M. Tisch Illumination Lawn and Jaffe Drive. "Even though we have 16 acres, there's a limit to what you can do with buildings."

A Little Bit of Everything at Glimmerglass: "You can put a price tag on anything."

At the Glimmerglass Festival, sponsorship giving opportunities tend to be season-specific and can range from $150,000 for a single production to $5,000 for a technical apprentice.

"Sponsorships are very popular, and a wonderful opportunity for getting more engaged with an aspect of the art," says Joan Desens of Glimmerglass. "The sponsor gets to go behind the scenes in an intimate way. We bring production sponsors to design presentations, starting a year in advance. We make sure that Young Artist [apprentice singers] sponsors are connected to their singers prior to the season. A lot of those turn into life-long relationships: sponsors will follow their Young Artist as they perform around the world."

Rona Rosenbaum, who has been sponsoring a Young Artist at Glimmerglass every year for more than a decade, says, "Some of them become almost like our adopted children. When they are passing through town, they call, and maybe stay over, or have a meal. They let us know when they marry and have children, and what they're doing. We run into them at the opera in Santa Fe, or Sarasota—it's like old home week." The Rosenbaums sponsored the countertenor Anthony Rolfe Costanzo for two years and made a special trip to see him sing in Handel's *Agrippina* in Boston.

"You can put a price tag on anything—even garbage removal."

Sponsoring an individual can be a powerful incentive: Desens cites one donor who was interested in education. Rather than donating to a specific program, she decided to give $10,000 to sponsor either one Young Artist or two technical interns for the 2013 Festival. Her previous gift had been $100.

About 20 percent of Glimmerglass's annual fundraising comes from sponsorship. "You can put a price tag on anything," says Desens. "Even garbage removal." One year someone wanted to sponsor just the costumes for one particular singer.

Desens is looking ahead. The company's Alice Busch Opera Theater, which opened in 1987, needs upgrading, and Alice Busch's grandchildren have given the go-ahead to rename the theater, should the opportunity arise.

NEW WORLD SYMPHONY

America's Orchestral Academy

Naming Opportunities, New Campus

When its dazzling new home was under construction, the Miami-based New World Symphony, an academy for classical musicians, issued a list of naming opportunities. The New World Center, an architectural and technological marvel that opened in January 2011, had a variety of naming opportunities, the funds from which went to the New World Symphony's endowment. Note that this list is excerpted, that some opportunities have already been reserved, and that descriptions are those of NWS development staff.

Photo: Rui Dias-Aidos.

Performance Hall Leave a one-of-a-kind legacy by naming one of the most unique performance spaces in the entire world…	$25 million
Atrium & Lobby When people enter our building, a new world will be at their fingertips…..	$5 million
Performance Stage Take center stage with our Fellows, MTT, and world-renowned guest artists and conductors….	$5 million
Rooftop Garden Have your name associated with Miami Beach's new hotspot getaway.	$5 million
Upper Lobby See your name in lights!	$2 million
Kids in the Concert Hall Each year the New World Symphony sparks the imaginations of local children through its "Kids in the Concet Hall" program…	$2.5 million
Patrons' Rooftop Suite	$2 million
New Performance Format Endowments (Includes club-style concerts, music and art video commissions, discovery concerts and many others.)	$2 million each
Artistic Director's Suite	$1 million
Audition Travel Fund	$1 million
Contemporary Music Fund	$1 million
Fellowships (86 named endowment funds)	$ 1 million each
Landscaping Fund	$1 million
Lobby Bar	$1 million
Musician's Library	$1 million
Administrative Floor (2)	$500,000
Lobby Elevator (2)	$250,000
Box Office	$250,000
Entrance from Garage	$250,000
Rehearsal Rooms (3)	$250,000
Lighting Studio	$250,000
Fellows' Locker Room	$100,000
President's Office	$100,000
Practice Rooms (25)	$50,000
Coaching Residencies (80)	$50,000
Seats Within the Hall (580)	$25,000

Video Gamers

fight against CANCER

Slackers? Hardly.

"SPEED DEMOS ARCHIVE" HOSTS FUNDRAISING EXTRAVAGANZA

By Heidi Waleson

Game(?): Athena
Limit: (0:45:00)
Runner: Dragondarch (Right)
and Brossentia (Left)
twitch.tv/dragondarchsda

32:54.10

Game: Contra III (2 players on 1 controller)
Runners: Mr K (dpad)
Hurblat (buttons)
13:40.01

One organization has found the path to a donor's heart (and money) through a field of machine guns and a nest of flesh-eating zombies.

Speed Demos Archive (SDA) is a web site whose participants are devoted to speed runs; that is, completing video games as quickly as possible. In January 2013, SDA's third annual "Awesome Games Done Quick" marathon, a six-day extravaganza, raised more than $448,000 for the Prevent Cancer Foundation. This accomplishment was nearly double the group's goal, according to Liona Chan, a spokeswoman for the Foundation.

"This is an unexpected group, one not usually associated with charity," said Chan. "This defies the stereotype of video gamers as slackers and shows how they can come together for a great cause." SDA also does smaller marathon fundraisers for other charities: coming up is "Summer Games Done Quick 2013."

The contestants gather at a pre-chosen location and the events are streamed live across the Internet, with as many as 30,000 people observing them online at any one time. The observers give as they watch:

- This year, 9,000 donors made 16,000 donations, most under $20.
- Triggers to prompt donations include prizes and the ability to name a game character or direct a player's path through a game. For instance, donors were entered in a drawing to receive a Mario-themed prize during a series of Mario games.
- Donors are also given the chance to share personal stories about their experiences with cancer: these comments, submitted with their donations, are read aloud.

Impressive Traffic

According to Mike Uyama, who organizes the events, "This year, we had a new problem: our goals were hit so quickly that we had to come up with new ones."

Uyama starts work on an event six months in advance and gets the word out through the site's community. SDA's home page has 10,000 page views a day; the game forums get 500 to 1,000 daily visitors as well as the traffic on Facebook, Twitter, and Twitch, the streaming service carrying the events.

In January 2013, more than 100 expert video gamers gathered at the National 4H Center in Bethesda, MD, where they completed more than 100 games—each of which takes anywhere from 10 minutes to 10 hours. Observers around the world tuned in to the marathon's live stream to watch these experts navigate their games. Uyama said there were an average of 25,000 to 30,000 people watching at any one time; even in the wee hours of the morning, viewership never dropped below 15,000.

DATA

It's all in the

How one consultant helped the Art Institute of Chicago improve fundraising through data measurement

By Steve Jacobson

Ed Koch, the late great former mayor of New York City, used to walk around town and ask his constituents, "How'm I doin'?" Sure, the mayor had poll numbers and other statistics to look at, but with rampant crime and a deteriorating quality of life, fixing the City wasn't going to be about numbers. It was going to be about attitude, swagger, and instilling optimism in a pessimistic populace.

Fast forward to another three-term NYC mayor, Michael Bloomberg, and the answer to "How'm I doin'?" is all about numbers—setting goals, establishing metrics, and measuring the results. Crime is down 13 percent, mass transit ridership is up 22 percent. The good news is in the data, regardless of the Mayor's disposition.

As you look at your fundraising operations, which camp are you in? Are you making informed decisions based on hard data and/or specific metrics, or are you flying blind and using instinct to evaluate your efforts?

STEVE JACOBSON

Steve Jacobson is president and CEO of Jacobson Consulting Applications, Inc., a firm he founded in 1988 to provide technology consulting to nonprofit organizations. He has provided system selection, integration, and best practices consulting for such clients as The Metropolitan Museum of Art, Wildlife Conservation Society, and the National Constitution Center. He is an active member of AFP, AAM, MCN and INTIX. Prior to founding JCA, Steve worked in the field of economic consulting. He holds a B.A. from Stanford University.

Guesswork makes messwork

The Art Institute of Chicago (AIC), for example, wanted to make data-driven decisions for its development efforts, but its systems and processes weren't set up for it. The team was left to make educated guesses, because its CRM (Constituent Relationship Management) system, Blackbaud's The Raiser's Edge,® was not configured to give them the data they needed. So they compensated by creating overly complex reports that were difficult to decipher and update. "Shadow systems"—small, user-created databases with a lot of duplicate data—began to pop up. Staff was creating reports manually in Word and Excel. Errors and outdated data began to creep into their reports.

We have a problem, Houston

Similar to a 12-step program, the first step for any organization is to admit that there is a problem. AIC did; leadership knew what they needed, but were unsure how to get it or if their technology could deliver it. Another complicating factor was that their recent database conversion to The Raiser's Edge had been done in a way that did not support their needs. All of the data was there, but not in a form they could use to get meaningful results.

For some, the next step might have been to try and recode the data base. But AIC first took a step back and asked themselves, "What do we need to know to manage our business more effectively?" Before any discussion of technology could begin, they needed to define their objectives and strategic measures and to get all of the stakeholders—development, membership, and finance—to come to a common understanding of "this is what we care about."

Mind the Gap

Once AIC had a definite path, it then turned to its current system and process. What could they get out of it? What couldn't they? They identified two gaps that needed to be filled. First, the badly converted gift data was not configured to allow AIC to analyze it. And second, the way the system was set up made it difficult to use a lot of the new and advanced Raiser's Edge functionality.

The steps taken previously had given the team real focus. So closing the gap included:

- Creating a new code schema that was built to serve AIC's BI (Business Intelligence) needs
- Updating the database to reflect the new code schema
- Creating a "prospect model" based on the needs of major giving
- Updating reports and their BI software—Answers for The Raiser's Edge—to give direct access to data that was previously unavailable

Building a Prospect Model

AIC's objectives, as they related to tracking and measuring major gift opportunities, focused on two "levels" of data: the prospect and the proposal. At the prospect level, the data relates specifically to the person: does he or she have the capacity and inclination to make a major gift? At the proposal level, the information relates to the solicitation: What is the right ask amount? When do we expect it to be funded? What actions (e.g., meetings, calls, emails) have we undertaken to cultivate the prospect and get us to a proposal (ask)? And once the prospect has agreed to the proposal, what steps are we taking to steward that donor? (See illustration Figure 1.)
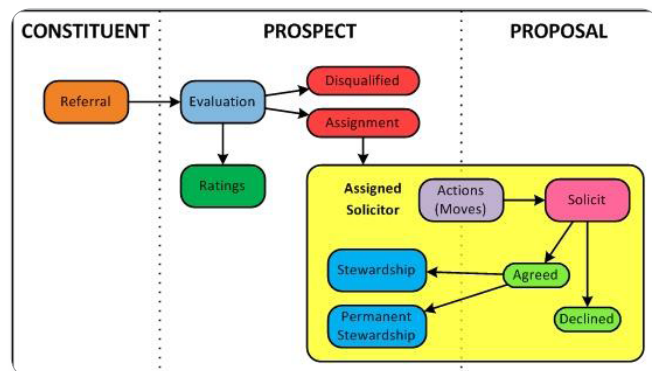

Figure 1

These cultivation steps may seem elementary, and many organizations do not track and measure where they stand or what their results have been. But AIC had bought into the maxim: "You can't manage what you don't measure." Leadership wanted to know how successful each fundraiser was at each step of the process using data instead of instinct. They could then use that information to make necessary alterations—or not. By setting specific weekly goals such as the number of contacts to make, the total value of proposals outstanding, and, most importantly, how many proposals were closed
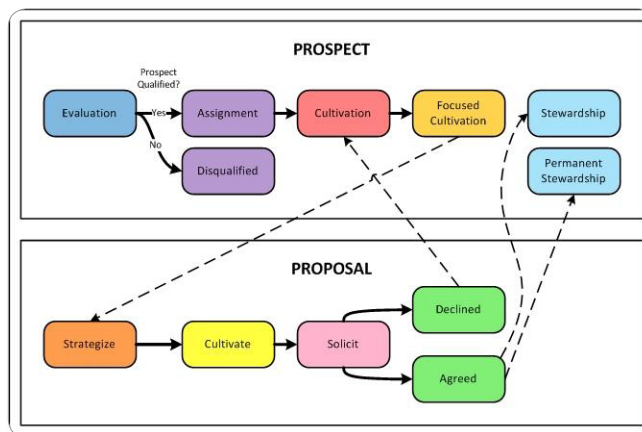

Figure 2

and how much money was raised, AIC could assess each fundraiser accurately. Additionally, it could predict how much money was likely to flow into the organization, and to which funding areas.

Of course, the relationship between the fundraiser and the prospect/donor is fluid. Fundraisers can have multiple proposals out to a single prospect. Once the prospect funds the proposal, the major gift officer can continue to steward the prospect and, when the time is right, cultivate him or her for the next gift. And, should the prospect not wish to fund a specific proposal, AIC's system recognizes that the prospect still has the capacity to give and can be reengaged for cultivating another opportunity. Figure 2 illustrates the prospect life cycle.

Take Stock

Building a true system with metrics and accountability is not easy. You have to have a plan before you start, and you have to have the right people on board. One without the other is like having an engine without gasoline. While it is often tempting to just dive in and go (and sometimes that does work), it can be an expensive and stressful approach. If you are converting systems, it is critical to identify your objectives and use them to make decisions involving that conversion. Do it right and you will save lots of time, money, and heartache. Do it wrong and you will have to do it over—provided you still have the budget (and you still have a job). Fixing the core of a system when it's in production is like adding a basement to a house you're living in: it can be done, but boy is it painful.

Ultimately, AIC understood that a system is not just about technology and recording data. It's about building a platform that enables tracking and measuring pre-defined strategic objectives and making data-driven decisions. Just like Mayor Bloomberg. ma

COMPETITIVE FUNDRAISING

Wearing *YOUR* Cause on your *Face*

Or, having fun while raising awareness of-and millions for-men's health

Throughout history, mustaches have been symbols of virility, villainy, and veneration. Recently, however, the male pushbroom has also become an instrument of charity.

The Movember Foundation's slogan, "Changing the Face of Men's Health," refers both to its mission—raising funds to fight prostate and testicular cancer while raising awareness of men's health in general—and its method—growing mustaches. Launched in 2004 in Australia (where "mo" is local slang for a mustache) the charity is now international, steadily increasing its annual totals to over $133 million in 2012.

"MoBros," as the fund-raising individuals are called, solicit funds from friends to support their participation. They start November clean-shaven, and over the next 30 days, grow their mustaches and raise funds through parties, races, contests, kissing booths, bike rides, and just simply asking. Sandy Goodman, 50, a seven-year participant and the winner of this year's Mo Mo award for raising the most money in the U.S. ($35,152), co-hosts with fellow Mo Bros a mid-month party (by which time the Bros's Mos are credible), charging admission and offering games, raffles, and the like. He also sends weekly email updates to all his friends, linking to articles and to photos of his Mo-in-progress on the lively Movember web site, hoping they will press the "Donate" button. Goodman belongs to a team of Mo-growers that ranges from 25-30 men every year. His employer, Western Asset Management in California, allows him to host a Movember 1 shave-down party at work. Companies including Amazon, Nike, ebay, and others have also hosted "Shave the Date" parties.

MoSistas get in on the action as supporters; participants can submit their Mo-related videos to the Movember web site and compete for the best "Moscar" (this year's winner is a music video titled "Call Mo Maybe.") And of course, there's merchandise—shaving gear, apparel, and the like, created by Movember corporate sponsors.

As the month progresses and MoBros are questioned by colleagues and friends about their newly sprouting facial hair, their responses serve as an explanation of both the cause and an opportunity to make a contribution. With the focus on keeping things fun, the movement has been unusually successful in recruiting men in their 20s, 30s, and 40s. For 2012, Movember counted over 1.1 million participants around the world, with 21 official countries ranging from Singapore to Canada. The 209,333 U.S. participants raised over $20 million, which goes to the LIVESTRONG Foundation and the Prostate Cancer Foundation, in addition to other cancer awareness groups.

Other charities have taken a leaf from Movember's book: in December 2012, Stand Up to Cancer, a program of the Entertainment Industry Foundation, asked supporters to wear ugly holiday-themed sweaters for as many days or weeks as they could stand, and post online pictures of themselves so attired. Online pledges to the charity's web site totaled $250,000, one-third more than was pledged the same month in 2011; traffic rose by the same amount, and its Facebook page added 15,000 "likes" for the month.

Turning
LIKES, FRIENDS, and FOLLOWERS into
Donors
You shall reap what you sow

By Dina Gerdeman

Nonprofit organization DoSomething.org turned to YouTube in 2011 to pull in donations by posting a funny and slightly raunchy video (since removed) that scored a whopping 1.5 million views. DoSomething.org leaders were thrilled. The organization, which helps teens achieve social change, also pushed the video link on Facebook. By any measure, it was wildly successful exposure.

But in terms of achieving its goal—donations—the campaign was a total flop. Not a single person donated to the cause, despite all those video views.

"It was an eye-opening moment," says Jeff Bladt, director of data products and analytics for DoSomething.org. "It went from being such a good feeling of success to such a womp-womp feeling for everyone."

Clearly, collecting thousands of social media friends and followers or even more than a million video views does not always translate into donor dollars.

Vanity vs. dollars

"Facebook likes are a vanity metric," notes John Kenyon, nonprofit technology educator and strategist. "Just measuring yourself by how many likes you have on Facebook is not really helpful in terms of obtaining new members or donations."

Nonprofits are certainly using Facebook, Twitter, and other social media sites more regularly in hopes of raising cash for their causes. The NTEN Benchmark Study 2012 found that 46 percent of nonprofits were fundraising through social networks and social fundraising platforms. And based on an analysis by MDG Advertising, raising money online for causes has more than doubled in the last five years.

In October 2012, Facebook added Gifts that Give Back, making it easier for users to give on the social network. MDG
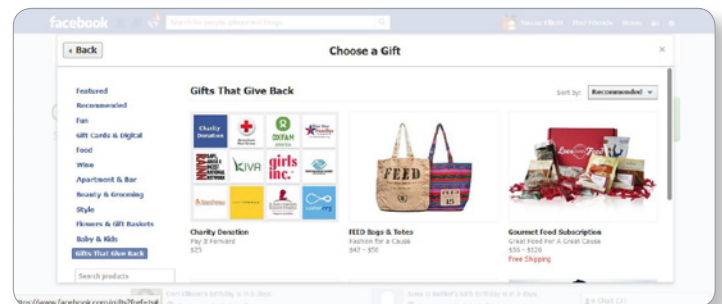
found that the average donation through social media has increased annually, with $38 being the average donation in 2010, compared with $59 in 2012. And social giving increased 21 percent in one year alone—between 2011 and 2012, according to Network for Good.

Lessons from the Front Lines

If you're planning to take the plunge using social media to raise dollars, here a few pointers from your colleagues.

Keep the tone consistent from one medium to the next.

As DoSomething.org discovered, its video engaged viewers with its witty dialogue, yet when people clicked on the organization's web site, as about 60,000 people did, they were abruptly greeted with a much more somber emotional plea.

DINA GERDEMAN

Dina Gerdeman is an award-winning reporter and editor with nearly 20 years of experience. For the past three years, she has worked as a freelance writer and editor, developing content and editing copy for Web publications such as CMO.com; Harvard Business School's online publication; Health Resources In Action, a Boston nonprofit organization; and TechTarget.

"Where we realized we failed was in the fact that our web site didn't match the same sort of tone in our video," Bladt said. "There was this big disconnect for this group of traffic. We found that people who came from the video spent under 10 seconds on the site, and 90 percent left without clicking on anything else."

The team learned that it had to provide social media users with a "unified experience," Bladt said. "We call it respecting the medium. When you ask people to go off Facebook and onto another site, you need to understand that they're following you in the mindset you left them with on Facebook. That's an important lesson we learned about social."

Avoid the corporate look. DoSomething.org experimented by posting the same material on social networks, one with the organization's logo and another without. The pieces without the logo got far more interaction. "When you make people feel like they're just pushing your marketing around, you limit how far things can spread," says Bladt.

Make the message match the medium. "You have to focus on creating content that's naturally sharable," says Bladt, "and then every now and then you can sneak the vitamin in there with a call to action."

Carlo Cuesta, managing partner of Creation in Common, which provides branding, strategic planning, and board development for nonprofits, echoes Bladt's point. "Many people make the mistake of using social media sites as bullhorns to get their messages out in a loud, bold way and shove it down people's throats. That's not what social media is for."

Meet them halfway. "Social media is about building relationships," continues Cuesta, "about really understanding where your stakeholders are at, what their perceptions and interests are, and what causes they are aligned with so you can meet them there. A social media campaign will fail if you don't have a community galvanized around you first."

Make it easy. To raise money for Somalia relief, the American Refugee Committee partnered with Music for Relief and created the I Am a Star campaign. Using social media to direct people to the I Am a Star Facebook page, Music for Relief agreed to donate

I AM A ★

FRIENDS AND NEIGHBORS MAKING A DIFFERENCE FOR SOMALIA

LEARN   SHINE

$5 for every action someone took on the page, whether it was posting a comment or a photo or video. ARC ended up taking in $100,000 in donations for Somalia relief efforts.

"A lot of nonprofits are looking for people to get up and do something," says Brent Hines, roving correspondent for ARC. "This was an easy way for people to do something good and they didn't have to get off the couch."

Create a narrowly defined call to action. After building a sense of community on social media sites, consider the right call to action, one that targets raising money for a specific purpose over a limited period of time. Consider asking people for more than money; encourage them to share stories or upload videos to express their support, for instance. "Here's the thing about the social media audience and where we're heading with online giving," Cuesta said. "People want more than just to give dollars and cents. They want to be involved and engaged in some real way."

Remember your manners. If and when the money does come through, be creative in thanking folks publicly, perhaps by posting a thank-you video from performers or pictures of the new rehearsal space they made donations to. "A lot of nonprofits fall down in thanking people," says Cuesta. "It's very important because even people who don't donate might see it, which might increase the likelihood that they'll donate next time."

Particularly if they're already friends or followers. ma

A Quick Look at KICKSTARTER

A crossroads for investing and donating

Earlier this year, a short documentary titled *Inocente* became the first Kickstarter-funded film to ever win an Academy Award.

With the help of 294 backers, the film raised $52,527 on its Kickstarter page from June to July 2012. Those who gave as little as $10 were rewarded with both a digital link to the film as well as a "shout out" note of thanks on the wall of *Inocente*'s Facebook page.

The Oscar win is just one indication of the growing success of web sites like Kickstarter, IndieGoGo.com, and Crowdrise.com, that enable artists, authors, musicians, and nonprofit arts organizations to raise money for projects and causes through "crowdfunding"—soliciting small individual donations from a large pool of people.

Kickstarter describes itself as "46 people based in a tenement building in New York City's Lower East Side." When it was first launched, in 2009, *The New York Times* referred to it as, "The people's NEA [National Endowment for the Arts]." Kickstarter claims to have launched over 89,000 projects on its web site, 43 percent of which have raised a total of $511 million. As of this writing, some open campaigns are already substantially overfunded, like "The Maze of Games: An Interactive Puzzle Novel" or "Thermodo —The Tiny Thermometer for Mobile Devices," or "The 10-year Hoodie: Built for Life, Backed for a Decade."
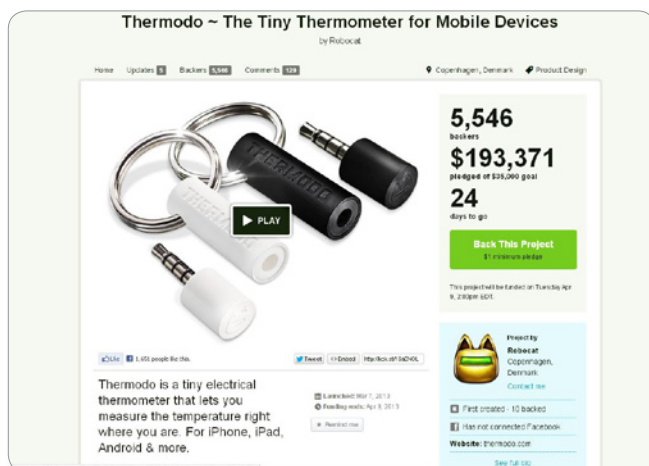
[Other recent over-achievers include the creators of an online animated show, Cyanide & Happiness, who raised $560,000 from 10,000 supporters—well above their $250,000 goal. (See Fig. 1)

Fig. 1

Project creators retain 100 percent ownership of their ideas. Kickstarter takes five percent on campaigns that reach their goal. Amazon Payments tacks on an additional 3 percent to 5 percent to process transactions. If a campaign falls short, credit cards aren't charged.

"The entire Kickstarter experience is about bringing the artist and audience closer together," says spokesman Justin Kazmark, "by providing a behind-the-scenes look at the projects as they progress."

All projects must be finite and fit into one of Kickstarter's categories: art, comics, dance, design, fashion, film, food, games, music, photography, publishing, technology, and theater. "A project is not open-ended," states the web site. "Starting a business, for example, does not qualify…."

Nor do "fund my life" projects, like seeking money to pay bills or go on a vacation. Charities like the Red Cross are also prohibited. Asked if that excluded nonprofit organizations from eligibility, Kazmark said, "When we talk about charity, we're talking about somebody giving money to a relief benefit or that kind of thing. But if you're a nonprofit in the arts doing a project, that's OK.

"In fact, there's a growing community of backers interested in supporting projects in the arts," says Kazmark—an encouraging sign indeed. —Dina Gerdeman
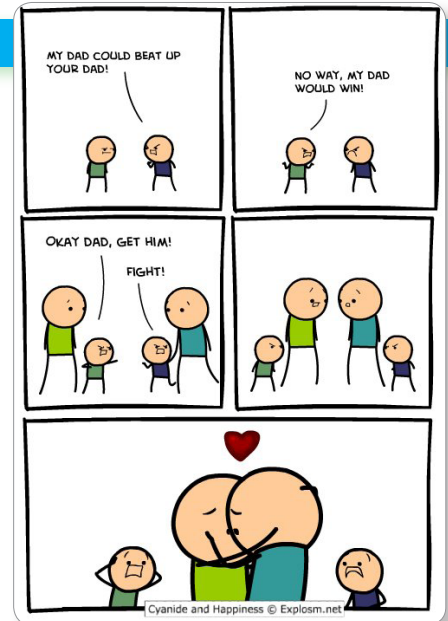
Raising MONEY & the LAW

Beware the Ask

Even the basics can get tricky, according to our specialist in arts and tax law

By Robyn Guilliams

Creative fundraising strategies are all to the good, but keep a watchful eye: Nonprofit organizations are subject to the laws and regulations of the state in which they operate (and possibly other states as well, which we'll get to in a minute). Tax-exempt entities—also known as 501(c)(3) organizations—also are governed by federal law. Don't know the difference between a nonprofit organization and a 501(c)(3)? [See What's the difference between a nonprofit and a 501(c)(3)?]

The agencies that regulate nonprofits vary from state to state. For example, in New York, it's the New York Attorney General's office; in New Jersey, it's the New Jersey Division of Consumer Affairs. Always check the official list posted by the National Association of State Charity Officials to be sure where to register. Meanwhile, here are a few common mistakes to watch out for.

Soliciting donations in a state without registering there:
Almost every state requires an organization to register before it can solicit donations. The definition of "solicit" is pretty broad, and includes any type of fundraising directed at state residents. This includes not only actual fundraising events but also written or verbal solicitation communications including advertising and publicity.

Here's an example: a small nonprofit theater produces several shows a year in New York City. It solicits donations in Manhattan and Westchester, which is okay because it has registered with the New York Attorney General's office. After several seasons, the company has a hit, and begins to attract patrons from New Jersey and Connecticut. But if it plans to solicit donations in those states, it must first register to do so, in both.

ROBYN GUILLIAMS

Robyn Guilliams is a partner in the law firm of Goldstein & Guilliams PLC (GG Arts Law) and a contributor to the Law and DisOrder *blog on* MusicalAmerica.com. *She is a frequent speaker at national arts conferences, and is a co-author of the web site* Artists from Abroad.

Hiring a fundraiser who gets a "cut" of the funds raised:
While this type of arrangement is not illegal in itself, it does create a number of potential legal pitfalls. Because charitable donations cannot be used for "private inurement" (legal jargon meaning the money is going into someone's pocket instead of toward the nonprofit's charitable mission), certain limitations must be in place beforehand to keep the arrangement legal. First, the commission or percentage received by the fundraiser must be "reasonable," as must the fundraiser's compensation. ("Reasonable" here means that the fundraiser provides services, and that the total compensation is commensurate with the time spent rendering services.)

Example: an orchestra hires a professional fundraiser to solicit donations. The fundraiser agrees to spend 10 hours doing so, and as compensation he will take a 20% commission. Miraculously, he raises five million dollars! A million dollar compensation is hardly reasonable for 10 hours of work. On the other hand, if the agreement stipulates that the fundraiser will spend a specific number of hours on specific fundraising tasks, AND there is a cap on what he can earn, AND that cap is not unreasonable for services rendered, then the arrangement would be acceptable. The bottom line is, the total compensation to the fundraiser must be reasonable in relation to the amount of time spent soliciting.

One last note: Many states regulate "professional fundraisers" and "fundraising counsel." Be sure to check out the guidelines in your state—and any one in which you'll be soliciting.

Improper documentation of charitable contributions:
The Internal Revenue Service and many states require that most charitable contributions be documented. A 501(c)(3) organization must adhere to the following:

1. All monetary gifts (cash, checks, etc.) of $250 or more must be acknowledged in writing and "contemporaneously." This does not mean that you must send out an acknowledgement minutes after you receive a contribution. "Contemporaneously" means only that a donor must receive written acknowledgement no later

continued on p. 21

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than the timely date he files his or her tax return for the year the contribution was made.

Example: Joe Smith gives the ABC Dance Company, a 501(c)(3) organization, a $500 donation on June 1, 2013. ABC's acknowledgment to Mr. Smith must be sent to him before he files his 2013 tax, or April 15, 2014, whichever is earlier.

2. All in-kind contributions (i.e., non-monetary) valued at $250 must also be acknowledged in writing and contemporaneously, with an accurate description of the item(s) being donated. The acknowledgement also must state either that no goods or services were provided by the organization, or describe the goods and/or services that were provided and give a good faith estimate of their value. (See IRS Publication 561)

Note: Donations of services are not tax deductible!

3. These written acknowledgments need not be lengthy or involved! Here are two acceptable examples:

- "Thank you for your cash contribution of $300 that (organization's name) received on December 12, 2012. No goods or services were provided in exchange for your contribution."
- "Thank you for your cash contribution of $350 that (organization's name) received on March 6, 2013. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of $60."

4. All donations of property valued in excess of $5,000 require the receiving the donor to complete Form 8283. Before the donor submits the form to the IRS, the receiving organization must complete Part IV, which acknowledges receipt of the donated property. ma
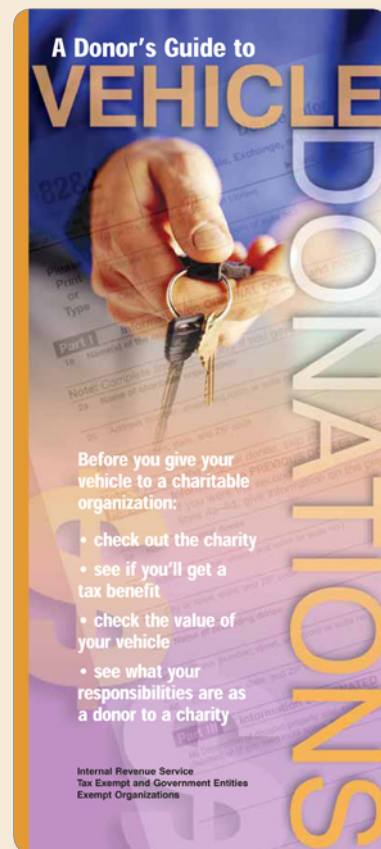

Additional IRS Resources and Forms
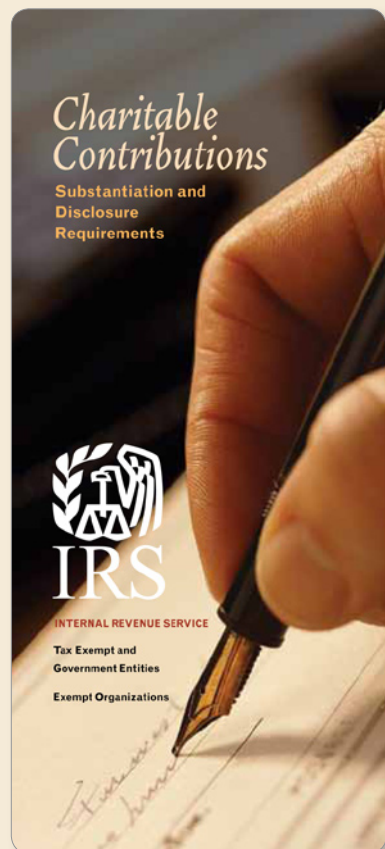
Publication 1771: Charitable Contributions— Substantiation and Disclosure Requirements

Publication 3079: Gaming Publication for Tax-Exempt Organizations (recommended reading if your organization is planning a bingo or casino night!)

Publication 4302: A Charity's Guide to Vehicle Donations

DONATIONS
are in the *Eye of the Beholder*

ArtSeed's "ARTATHON"

ALL in a DAY'S WORK: Making ART, raising MONEY, building a COMMUNITY

By Heidi Waleson

In a different spin on the walkathon, San Francisco-based ArtSeed has raised money for the past four years by having participants solicit donations for every hour they spend making art or music.

ArtSeed provides arts education to inner-city youth and runs its day-long "Artathon" in April. Participants are invited to work on their own projects or try something new; there is live music, food, materials, and a Skype connection to a satellite event run by a supporter in her New York apartment. In 2012, the Artathon added $17,000 to ArtSeed's annual $80,000 budget, more than the group's annual appeal letter did.

Josefa Vaughan, who co-founded the organization in 2000, says that the Artathon's strength is its connection to the organization's mission. "It's a way we build our family," she says. "For people who have been putting off doing something creative—it gives them a day to do what they wanted to do anyway. It brings wealthy families together with poor ones; they sit at the same table, share the same materials. We have all age groups, from senior citizens to toddlers."

One of ArtSeed's programs is an apprenticeship that pairs working artists with students. "The Artathon gives artists a chance to try out that relationship in a festive atmosphere," says Vaughan.

"It also gives our needy kids a chance to contribute: they can get their friends and family to sponsor them for $1 an hour."

At the other end of the spectrum, Vaughan once had a participant who contributed $5,000, the equivalent of $500 an hour. She estimates that about 100 people come and go during the day. Those who are not are asked for a $15 contribution for materials. Many of the art pieces that are created are sent to sponsors as thank-you gifts.

Musicians can also be sponsored: "We had a quartet play for ten hours—they wanted to see how long they could practice contemporary music!" Vaughan is game to have any kind of activity become part of the Artathon. "I wouldn't turn away someone with a yoga mat," she says. "Whatever they want to do that's creative and can raise money."

San Francisco's ArtSeed, which provides arts education for inner-city youth, hosts an annual day-long "Artathon," in which participants ask friends to sponsor them for their time spent creating art or music. Here, a budding Picasso examines his masterpiece, while a young violin-guitar duo prepares to create one.

MORE ON THE WEB

Each article in this issue also may be found on our website, MusicalAmerica.com, in the Special Reports section.

What's the difference between a nonprofit and a 501(c)(3)?

Social Fundraising, an Essential Tool

Competitive Fundraising
—**How Columbia University Raised $7 Million Online in 1 Day**
—**Video Gamers Fight against Cancer**
—**Wearing Your Cause on Your Face**

What's in a Name? More Than You Might Think

It's All in the Data

Turning Likes, Friends, and Followers into Donors

A Quick Look at Kickstarter

Raising Money and the Law: Beware the Ask

Donations are in the Eye of the Beholder: ArtSeed's "Artathon"

In the Next Issue…

MOBILE MEDIA
Ignore It at Your Peril
Coming 30 May 2013

The Mobile Web Site: Should You Have One?

The App: How to Decide if You Need One or Not

Mobile Marketing Dos and Don'ts

The Concert Conversation: "Please Turn ON Your Cell Phone."

Post-concert Round-table

Questions? Email info@musicalamerica.com