



A Work Project, presented as part of the requirements for the Award of a Masters Degree in Finance from the NOVA – School of Business and Economics.

Sustainable Funding Solutions for NGOs

The Example of Acción Ciudadana

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A Project carried out on the CEMS MIM Business Project, under the supervision of: Sabina Du Rietz

12/05/2016

Abstract

The purpose of the paper is to analyze the current funding structure of Acción Ciudadana, Guatemalan chapter of Transparency International and to propose new sustainable funding solution for the NGO. The research is conducted to identify different types of funding for NGOs and to evaluate each option based on sustainability and feasibility criteria as well as their unrestricted character.

Through the process of elimination 4 options were analyzed in detail, which then led to the main recommendation for Acción Ciudadana, namely hiring a fundraiser. Moreover, an implementation step-by-step plan is proposed.

Key Words

Sustainability, Funding, NGO, Fundraiser

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SECTION 1 – Brief context

1.1 Background of Transparency International and Acción Ciudadana

Transparency International

Transparency International (TI) is an international Non-Governmental Organization (NGO) that fights corruption worldwide. The mission of the organization is to prevent corruption and promote integrity, transparency, accountability and justice across societies (Transparency International, 2016a). The global secretariat is based in Berlin, Germany, but TI has national chapters in over 100 countries, which are independent and established locally in order to deal with local issues related to omnipresent corruption. The NGO is financed through different types of donations such as: private donors, governmental institutions, private companies and foundations (Transparency International, 2015). It accepts any kind of donations as long as its independence and reputation are not affected. In 2015 the organization has generated approximately €27 million in donations from many different sources (see Appendix 1).

Acción Ciudadana

Acción Ciudadana (AC) is one of TI's national chapters located in Guatemala. The NGO was established in 1996, addressing the mission of fighting for a democratic country free of corruption (Acción Ciudadana, 2015). It joined TI in 2016, keeping the original name as it was already recognized and respected in Guatemala. The organization works on a large number of different projects simultaneously, including presidential elections, promoting transparency in accounting issues or improving women's access to information (C. Kowalewski, personal communication, February 13 2016). Additionally, the NGO provides victims and witnesses of corruption with free legal advice through ALAC (Advocacy and Legal Services). The key employees of AC are project coordinators who are divided into 3 groups and report directly to AC's president Manfredo Marroquin (C. Kowalewski, personal communication, February 13, 2016) (See Appendix 2).

1.2 Funding of NGOs - An increasingly complex and competitive market

In order to understand why a lot of NGOs, including TI and AC ended up with their non-sustainable funding model, it is necessary to comprehend the market for NGO funding. This section will present three important trends on the market and elaborate on how these trends affects NGOs funding models.

Trend 1: Difficulties in obtaining to obtain institutional funding

A lot of NGOs funding models are still dependent on donations from governmental institutions as the size of these contributions are often significant.

However, the availability of institutional funding has been diminishing due to following reasons: (1) harsh competition between NGOs pleading for public donations (Rhoden, 2014) and (2) global unstable economic situation, particularly the deep recession in 2008/2009 (Yang et al., 2011; Rhoden, 2014). The harsh competition results from the increasing number of NGOs, operating in sectors where pledging for public support is common such as local hospitals and schools or cultural institutions (Rhoden, 2014). Nowadays, it is more difficult to get donations than before the crisis, despite the positive development of European governments and national budgets for humanitarian aid (OECD, 2015). Funds are now primarily allocated to urgent humanitarian projects, such as refugee crisis or Ebola outbreak (L. Torchiaro, personal communication, 2016). Nevertheless, according to United Nations (2005), fighting omnipresent corruption is an important issue which might help NGOs such as TI an AC to receive institutional funding in following years.

Trend 2: Trend towards corporate partnerships and philanthropy

As the availability of institutional funding diminishes, NGOs seek alternative funding sources. In consequence, this leads to an increasing number of NGOs looking for support from corporate partnerships and private donors (Keshishian, 2008). Nowadays, a lot of private companies want to

collaborate with NGOs, since the awareness of good governance and social causes has been increasing in the private sector and companies pay attention to their social responsibility (Yang et al., 2011) Thus, many NGOs benefit from that trend. Moreover, companies and NGOs often establish long-term agreements, that allow them to leverage on each other. This might bring value for both parties e.g. when an NGO provides advisory services in its expertise to private companies (Rugendyke, 2007; Hause et al., 2008).

Trend 3: Trend towards Self-Financing and More Aggressive Fundraising Strategies

Many NGOs are trying to remain independent from external parties such as governmental and private institutions. The desire of being independent and the decreasing institutional funding has led to NGOs seeking self-financing models. Self-financing is defined as generating income through NGOs own effort, including membership and subscription fees or selling products or services e.g. consultancy services (Mango, 2010). Additionally, fundraising activities became more commercial and aggressive. NGOs use new communication channels in their fundraising campaigns such as websites, crowdfunding platforms and social media (Sargeant & Jay, 2014). Using these channels is considered a cost-efficient and successful way to reach new donors who will ideally be willing to provide funds for the NGO (Rhoden, 2014).

1.3 Current funding structure of AC

Between 2012 and 2014, Transparency International was supporting AC with a yearly donation, equal to 6% of total funds available to AC (L. Torchiario, personal communication, March 2, 2016). Additionally, AC generated 12% of its total income through foundations and the remaining 82% of the total fund was obtained from institutional donations such as: The World Bank, the United Nation, the European Union, the US government and governments of Denmark and Uruguay. All of these donations from TI and above mentioned institutions were provided for specific projects.

Moreover, none of them, except for the United Nation's donation, were regular donations. Thus, there is no guarantee for AC that they will be renewed in following years. For example, donations from Danish and Uruguayan governments were only non-recurrent in 2011 and 2013, respectively. Moreover, AC will get \$40,000 per year from the Canadian Foreign Affairs Department from 2016-2019. These grants are also restricted to the ALAC program (L. Torchiaro & B. Elers, personal communication, March 2, 2016). All this leads to AC struggling with a short-term donation cycle, not allowing the organization to plan its activity ahead. Project Leaders are responsible for renewing donations for specific projects, leaving AC with no base fund to cover its administrative and operational expenses.

1.4 Business Project Challenge

The Business Project addresses NGOs' financing problems by analyzing different options of sustainable funding and concludes in recommending a solution customized to specific needs of Acción Ciudadana. Sustainable Funding is defined as ability o maintain financial capacity over time (Bowman, 2011). The challenge of the Business Project is to demonstrate the process of achieving a sustainable funding model for Acción Ciudadana as the organization urgently seeks diversification of its resource base and new funding sources in order to establish a sustainable strategy in this regard.

SECTION 2 - Reflection on the work done and individual contribution

2.1 Problem Definition - Complications of Achieving a Sustainable Funding Model

Acción Ciudadana needs a minimum of 4 Million Guatemalan quetzals (approximately €450,000) a year for its annual expenses, both administrative and operational (L. Torchiaro, personal communication, March 2, 2016). It has been identified that current structure of the organization does not allow an efficient and successful generation of long-term and unrestricted funds. The NGO

lacks the fundraising strategy and does not employ a person solely responsible for fundraising activities. Project coordinators are exclusively concentrated on their own project and do not cooperate to pool funds. Moreover, they do not have time, expertise or interpersonal abilities to successfully fundraise and to manage relationships with most important donors. This decentralized structure affects chapter's fundraising activity, limiting it to only generating short-term and project restricted funds. Since 2012, only 1% of AC's total funds have been raised through unrestricted private donations. As a result, the organization covers its operational and administrative expenses with money dedicated for specific projects, for which reason donors hesitate to provide funds (B. Elers, personal communication, 2016). Additionally, the decentralized structure often leads to a situation where AC lacks funds to cover overhead costs when a projects ends. Therefore, the NGO needs to find money either by pulling it from different projects or by finding new projects. All this puts chapter's long-term survival in danger. Moreover, AC does not have any emergency funds to ensure organization's fixed costs in case of a situation like shift between projects. To conclude, AC's current funding is short-term oriented, restricted and still highly dependent on institutional funding. Furthermore, this NGO does not undertake any self-financing activities.

2.2 Methodology

In order to provide Acción Ciudadana with the best suitable funding solution, the market analysis was conducted. It was divided into 3 parts as follows: (1) Analysis of Funding Structure of NGOs, (2) Analysis of Funding Source Strategies and (3) Analysis of Funding Sources. The methodology used for this analysis was mainly based on the secondary research and an interview with TI's program director, Ben Elers. His expertise in NGO fundraising enriched the analysis with interesting insights into best practices in NGO financing and as a consequence it led to identifying the best potential solution to AC's financing problems.

2.2.1 Analysis of Funding Structure

The analysis of funding structure of one of world biggest NGOs - UNICEF - indicates how the perfect funding structure should look like. UNICEF divides its funding into four pools which are: (1) Regular Resources, (2) Thematic Funds, (3) Emergency Fund and (4) Pool Funding (UNICEF, 2016). One third of UNICEF's income is unrestricted and represented by Regular Resources, meaning that the organization can freely allocate these funds, either to specific projects or to any other NGO's activity. Two thirds of UNICEF voluntary funds come from governments and remaining one third from private donations (UNICEF, 2016). Furthermore, Amnesty International embodies another great example of NGO's funding structure. 95% of its total funds are unrestricted, leaving the NGO freedom of allocating them among different operations (Amnesty International, 2016).

Two presented examples points out the importance of unrestricted funds in NGO's funding structure. Taking into account the current situation of the chapter as well as the the analyzed examples, the new funding structure for the organization is recommended. The Base Funding of 25% of ACs total funds should be implemented in order to avoid deducting general expenses from projects' budgets (see Appendix 5). The Base Fund would then be used to cover all administrative and operational expenses, namely, rent, salaries, inventory and others. These 25% is an estimated number, considered as possible to reach by AC within next couple of years. Moreover, it is important to indicate that this Base Fund would not be restricted and should be ideally spent exclusively on administrative and operational expenses. Additionally, within this Base Fund AC should introduce a 5% of an Emergency Fund – that should remain untouched and be only used in case of unexpected events. Moreover, 5% Fundraising Fund is proposed to be exclusively used for any fundraising activities. All of the above, will help AC to survive in the long-term and ideally secure the budget for constant operational and administrative expenses.

2.2.2 Analysis of Funding Source Strategy

The analysis of Funding Source strategy points out the importance on a diversification of NGOs funding sources. The world biggest NGOs were analyzed in order to establish best proportion of a Funding Mix for Acción Ciudadana. Amnesty International generates 66% of its total funds through individual donations, whereas 20% is generated through legacy donations. The remaining 14% comes from the variety of different sources such as appeals and raffles, grants, shops and catalogue or community fundraising (Amnesty International, 2016). Oxfam on the other hand generates 43.5% from individual donors, 32% from foundations, 11.2% from Bequests & Legacies, and the remaining 13,3% from many more sources of funds (Oxfam, 2016).

Compared to the analyzed examples, AC's funding mix is not diversified but dependent on one funding source, namely Institutional Funding that represents 81% of AC's total funds. According to NGO funding trend, this type of funding has been decreasing. Following that, AC should expand its funding sources, including both self-financing efforts as well as fundraising activities. AC is advised to introduce the new funding mix equal to 50% of Institutional Funding, 30% of Fundraising Activities, 10% of self-financing efforts and 10% of other sources (see Appendix 6).

2.2.3 Analysis of Funding Sources

The next step of analysis is the evaluation of different funding options that potentially could help AC to introduce the Funding Strategies recommended in part 2.2.1 and 2.2.2. The best practices of other NGOs, based on different criteria such as sustainability, feasibility and unrestricted character of the option, were used in further evaluation. According to the definition one may distinguish three sustainability criteria such as (1) diversification, (2) stability of funds and (3) long-term character. In order to assess the feasibility of the options, both (1) internal factors (see SWOT analysis Appendix 3) and (2) external factors were analyzed (see PESTEL analysis Appendix 4) . The table below presents the results of the analysis.

FUNDING PRACTICES			EVALUATION					
			Sustainability			Unrestr icted	Feasibility	
Type of Funding	Description	Example	Diversif ication	Stable	Long-term			Internal factors
1. Hiring a Fundraiser	An employee exclusively responsible for collecting and managing funds for the NGO.	a. o. Amnesty International, UNICEF, Greenpeace	✗	✓	✓	✓	✗	✓
2. Crowdfunding	Being a member on the crowdfunding platforms where people can donate to a specific NGOs	Crowdfunding platforms such as: a. o. Global Giving, Razoo, IndieGo and many others	✗	✗	✗	✗	✓	✓
3. Improving an NGO's Online Presence	Involves activities such as: implementing a donate and membership button on the website; introducing English version of the website, activity on Social Media	a. o. UNICEF, Amnesty International, Greenpeace among others	✗	✗	✓	✓	✓	✓
4. Donations								
a.) "VIP - Ambassadors"	Wealthy individuals that regularly donate and promote an NGO in their quarters	a. o. Ted Turner's \$1Bn Donation to United Nation, Warren Buffett's \$10 Million to Bill and Melinda Gates Foundation	✗	✓	✓	✓	✗	✓
b.) Honorary & Memorial Gifts	A special gift to an NGO on behalf of your friend or loved one	a. o. Amnesty International, UNICEF	✗	✗	✗	✓	✗	✓
c.) Diaspora	Reach out to Guatemalans living abroad, who are not neutral to their motherland	a. o. Oxfam	✗	✗	✓	✓	✗	✓
d.) Individuals' Membership	A monthly regular donation from individuals in exchange for some benefits such as: NGOs newsletter, exclusive access to members area	a. o. Amnesty International, UNICEF	✗	✓	✓	✓	✗	✓
e.) Corporate Donations	One-time charitable financial donation by a corporation to an NGO	a. o. Amnesty International, UNICEF, Oxfam	✗	✗	✗	✓	✓	✗
f.) Donation of Stocks and Securities	Donation of financial securities such as: stocks and mutual funds. It allows donate more by avoiding capital gains taxes	a. o. Amnesty International, UNICEF, Red Cross, Heifer International	✗	✗	✗	✓	✗	✗
g.) IRA (Individual Retirement Arrangement)	Retired people donate part of their retirement	a. o. Amnesty International	✗	✓	✗	✗	✓	✓
h.) Heritage Donation	People donate their heritage (specific amount or percentage of their bequest)	a. o. Amnesty International	✗	✗	✗	✓	✓	✗

5. Corporate Partnerships								
a.) Domestic partnership	Establishing partnerships with local companies in Guatemala	a. o. UNICEF, Amnesty International	×	✓	✓	✓	×	×
b.) International partnership	Establishing partnerships with international companies	a. o. Oxfam with Mark's Spencer, UNICEF with FC Barcelona, Telenor, Gucci	×	✓	✓	✓	×	✓
6. Institutional funding								
a.) Domestic Partnership	Partnerships with local government & domestic institutions	a. o. UNICEF	×	×	×	×	✓	×
b.) International Partnership	Partnerships with a government, bilateral & multilateral institutions in a foreign country	a. o. Transparency International	×	×	×	×	✓	✓
7. Fundraising Events								
a.) One-time Event	One-time organization of events such as Fundraising Gala, Sports Events, Festival etc.	a. o. Oxfam, UNICEF, Amnesty International	×	×	×	✓	✓	✓
b.) Regular Events	Regular organization of events such as Fundraising Gala, Sports Events, Festival etc.	a. o. Oxfam, UNICEF, Amnesty International	×	✓	✓	✓	×	✓
8. Selling products and services								
a.) Open a Store	Second hand clothing, second-hand book and fair trade coffee	a. o. Oxfam, Amnesty International	×	×	✓	✓	×	×
b.) Online Shop	Selling variety of products such as: NGOs Gifts, Children Toy's, Jewelry, Accessories, Home Décor etc.	a. o. UNICEF Market, Shop Amnesty International	×	×	✓	✓	×	×
c.) NGO Providing Services to Companies	Consulting services, e.g. Anti-corruption training for corporate partners in exchange for donation	a. o. Norwegian Association of Disabled (NAD)	×	×	×	✓	✓	×
9. Passengers Donation Button								
	Donate button when buying a specific goods e.g. Airplane tickets, on-line shopping amazon, credit cards transactions etc.	a. o. UNICEF's cooperation airlines such as Norwegian, American Airlines, Easyjet etc.	×	×	✓	✓	×	✓

Table 1: Evaluation of Funding Sources , own elaboration

The evaluation of different solution options was conducted through the process of elimination in order to narrow down the list to the most suitable ones for Acción Ciudadana. It is important to acknowledge that none of this option is diverse by itself, as according to the definition they could be diversified only when combined with others. Thereby, this criterion was not included in the process of elimination.

Firstly, *Crowdfunding* was excluded as this option does not fulfill sustainability criteria, is stable in the long-term and stable and would not assure regular donations (O'Reilly, 2014).

Secondly, *different forms of Donations* were also eliminated from further analysis. Even though *Individual Membership* and *VIP Ambassadors* are considered stable and long-term oriented, they are not suitable solutions for AC due to the lack of internal feasibility – namely, AC does not employ people who could be responsible for maintaining long-term relationships (see SWOT Analysis, Appendix 3). Moreover, *Diaspora*, similar to *Individual Membership* and *VIP Ambassadors* was excluded in agreement with AC due to the lack of internal resources. While *Honorary & Memorial Gifts* and *Corporate Donations* do not fulfill sustainability criteria, they are considered one-time donations, not guaranteeing long-term and stable inflow to AC's budget. Additionally, *Corporate Donations* are not externally feasible and could negatively affect AC's reputation due to the fact that private companies are perceived as “evil” in Guatemala (see PESTEL Analysis, Appendix 4). *Individual Retirement Arrangements*, on the other hand, would require changes in country's legislation that are unlikely to happen. Hence, it was also eliminated from the further analysis. *Donations of Financial Securities* were excluded as this options is neither sustainable nor internally and externally feasible. Regarding internal factors, AC's employees do not have any experience in trading securities. Externally it is not feasible as it would require AC to be involved in a business with private companies that as mentioned before are highly corrupted in Guatemala (see PESTEL Analysis, Appendix 4). Finally, *Heritage Donations* do not meet

sustainability criteria. Thus they were excluded regardless their feasibility (both in terms of internal and external factors).

Institutional Funding, as explained before is not the most suitable solution for AC as the availability of this option has been diminishing. Moreover, it is not externally feasible, due to the political situation in Guatemala and highly corrupted governmental institutions (See PESTEL Analysis, Appendix 4).

Furthermore, *Selling Products and Services* is also not the most suitable solution for AC. *Opening a physical store* fulfills only one sustainability criteria – long-term orientation. The potential income is not stable as the demand for the product is hard to predict in an unstable Guatemalan economy. Additionally, the AC lacks internal resources that would enable them to open a store, namely financial resources to rent a new property and current office does not qualify due to the inappropriate location and size (C. Kowalewski, personal communication, March 9 2016). *Online Shop* was excluded due to the same reasons as the Physical shop – it does not guarantee stable donations and it is not feasible. Regarding external factors only 23.4% of Guatemalan inhabitants use internet on a regular basis. Moreover, only 3.3% of society shops online (See PESTEL Analysis, Appendix 4). Furthermore, this option is not internally feasible due to the lack of new IT Solutions expertise among AC's staff (See SWOT Analysis, Appendix 3). Next, *Providing Services* was also excluded as it does not fulfill any sustainability criteria.

Finally, *Passenger Donation Button* was not considered a reasonable option for AC as it only meets one sustainability criteria, namely long-term character. Additionally, this funding source is not internally feasible as it would require AC to cooperate with private companies and would risk being associated with corrupted businesses. The only option is to collaborate with international companies, which is very costly and not affordable for AC.

Hence, through the process of elimination and in agreement with AC, the short list of potentially most suitable funding types was created, including *options such as Improving the Online Presence, Fundraising Events, Corporate Partnership and Hiring a Fundraiser.*

2.3 Analysis of Solution Options

The following parts will analyze the four short-listed options in detail, which will result in choosing the most suitable one for Acción Ciudadana.

2.3.1 Improving AC's Online Presence

The first option analyzed in detail is the Improvement of AC's Online Presence. The current AC's website is about to be refurbished by a new web administrator who is in the process of being hired (C. Kowalewski, personal communication, March 9 2016). He or she should dedicate enough time to improve current features of the website as well as introduce new ones. One may distinguish 4 stages of website development such as "Contact", "Interact", "Transact" and "Relate" (Rowley, 2001, see Appendix 7). AC is now at the "Interact" stage that is characterized by intensified exchange of information between customers and partners, potentially resulting in targeted marketing. The website is descriptive, offers contact details and promotes AC's image. Hence, it meets all the criteria of the "Contact" stage. Moreover, the users can subscribe for a newsletter and interact (leave the message) on the bottom of the page. The organization's social media accounts are linked to the website, that enables further communication. However, the Facebook link is currently not working. These features satisfy Rowley's (2001) characteristics of an interactive website. It is recommended for Acción Ciudadana to shift from interactive to transactive development stage, in order to contribute to the new proposed sustainable funding structure. This might be achieved by implementing the following features:

- A **"Donate Now" Button** – in general online donations have been growing more significantly than offline donations, accounting for 9% and 3%, respectively. A "Donate Now" Button is a

key feature that encourages donors to donate and should catch their attention. Acción Ciudadana's donation button should depict issues related to corruption that a public is aware about.

- A **“Become a Member” Button** – it would enable potential donors beyond a one-time donation. It would give them a feeling of being a member of a club and hence increase their contribution (Devasagayam et al., 2010).
- A **“Subscribe to Our Newsletter” Button** – although AC already offers a “Newsletter” Button, there is not enough information that would be of interest for the visitors, such as frequency or the content. It is proposed to provide a monthly newsletter, containing important current information related to corruption in Guatemala, as well as the newest projects of AC.
- **An English Website** – introducing an English website would enable the broader audience to access it, including Diaspora, Guatemalans who emigrated to US, expatriates in the country as well as anyone interested in AC's work from all over the world, which would as a consequence enlarge the potential donor base.
- **Improving Credibility Through References** – a chance to enhance the trust among AC's donors, by being associated with well-known and respected NGOs as e.g. Transparency International.

Additionally, the conducted cost-benefit analysis projects a net benefit from Improving AC's Online Presence accounting for US\$8.517,05 by 2022 (see Appendix 8).

Evaluation of Solution Option

Improving the Online Presence fulfills one sustainability criteria, namely long-term character (see Table 1). The potential move to a “Transcation” development stage by introducing a Membership Button and Newsletter will improve long-term relationship with AC's donors and secure their

involvement (Rowley, 2001). However, the stability of this source is not ensured, as the majority of the income comes from one-time donation. Nevertheless, online donations can bring AC the unrestricted funds that are essential to implement the Base Fund. Additionally, this option is feasible both internally and externally, so as initial investment is low AC should implement this option as soon as possible.

2.3.2 Regular Fundraising Events

Organizing Fundraising Events regularly seems to be a reasonable option for AC. In general, those events, which are organized with purpose of generating donation for NGOs are considered a lucrative source of funding. According to Herzer and Nunnenkamp (2011), each dollar invested by an NGO might increase donors' contribution by 5 dollars in the long term. Additionally, Fundraising Events are a great opportunity to catch attention of people who not well informed about AC mission and in consequence access a broader group of potential donors. The Return on the Investment from Fundraising Events vary in terms of type of the event as well as the size of the NGO (see Appendix 9). For small NGOs, like Acción Ciudadana the highest ROI results from events such as a fun walk or run, an Auction or a Gala.

Currently, AC is in the planning stage of arranging the chapter's 20th Anniversary gala (C. Kowalewski, personal communication, February 16 2016). The purpose of this event is to both generate one-time donations and build a long-term relationship that will convince potential donors to contribute in the future. To assure the overall success of the Fundraising Events (in AC's case an anniversary gala) it is important to establish a fundraising strategy. It is advised to provide potential donors with different fundraising opportunities. Except for selling tickets, AC should organize an auction, offer a tombola or arrange a speech by AC's president Manfredo Marroquin, who would then encourage participants to donate. Moreover, logistic efforts are crucial to organize a successful event (see Appendix 10). Hence, it is recommended for Acción Ciudadana to turn the

gala into an annual event, as the long-term effects from the gala might be very beneficial for the chapter. In a long-term perspective AC should also organize other fundraising events, e.g. sports events. These are a very common way to raise funds, as they might boost NGO's recognition and at the same time provide leisure activity for participants (Higgins & Lauzon, 2003). For AC, it is recommended to organize fun run/walks as they are considered most profitable for organizations of that size. According to the conducted cost-benefit analysis of Fundraising Events, this could generate a profit of US\$48.400,00 (see Appendix 11).

Evaluation of Solution Option

By itself, both one-time and regular Fundraising Events are not diversified (see Table 1). The sustainability and feasibility criteria differ depending on whether it is a one-time or a regular event. Regarding one-time event, this option does not meet sustainable criteria such as stability and long-term orientation. However, as can be seen in Table 1, one-time events are feasible as current AC employees can manage the organization of one Fundraising Event. Thereby, current Anniversary Gala should be turned into an annual event and in consequence become a more sustainable source of funding. However, at the moment AC lacks internal human resources to be solely responsible for organizing regular events. A full-time employee with previous experience in organizing events should be in charge to ensure the long-term and stable success of the events.

2.3.3 Corporate Partnerships

Corporate Partnerships have been recognized as potential suitable funding source for AC. In general, this option has become more and more popular as a lot of relationships between NGOs and private companies turn out to be successful (Damlamian, 2006; Hause et al., 2008). On average, the Return on Investment from Corporate Partnership has been estimated to account for almost 430% and last in the long run (Hause et al., 2008; IoF & CIFC, 2013). In order to quantify potential benefits arising from Corporate Partnerships for Acción Ciudadana, the cost-benefit analysis was

conducted and indicates potential net benefit equal to US\$53.451,00 (see Appendix 12). Moreover, both parties benefit from non-financial gains, such as networks, technical expertise and cooperating through promotional campaigns. The awareness of the importance of non-financial gains has been increasing among both companies and NGOs.

There are many different ways of how the NGO collects funds from Corporate Partnership. It can be in the form of project funding, sponsorships of events, annual grants or “bonus grants” to NGO employees (UNICEF, 2012) Also non-financial benefits can take on different forms. AC should try to gain the access to potential partner’s resources that it currently lacks, namely technical expertise, network and communication channels. In exchange, AC should provide the company with anti-corruption consulting services or trainings for firms’ employees. However, it is advised not to team up with local companies in Guatemala, as those companies might be engaged in corruption activities and as a result it would have a devastating influence on AC’s image. Hence, potential allies are international companies with interest in the country, e.g. currently present in Guatemala US or European corporations (see Appendix 13).

Evaluation of Solution Option

Corporate Partnership, both domestic and international, fulfills sustainability criteria, namely stability and long-term orientation (see Table 1). As explained before this by itself it is not a diverse solution, but through having a diversified portfolio of partnering companies, AC could minimize its vulnerability to external factors’ fluctuations. This option seems reasonable for AC as it can generate unrestricted funding, inevitable to introduce the Base Fund. Nevertheless, at the moment this is not feasible due to the lack of human resources (in terms of time, mindset and expertise) who could take the responsibility for establishing and maintaining relationships with Corporate Partners.

2.3.4 Hiring a Fundraiser

Currently, Acción Ciudadana does not employ a person solely responsible for fundraising. All activities related to generating donations are tasks of project coordinators which only collect restricted funds for specific projects. Therefore, it is inevitable for AC to hire a person solely responsible for finding, managing and allocating donations in order to secure chapter's financial flexibility and stability. A Fundraiser could manage external tasks such as: analyzing different funding sources, evaluating their sustainability and feasibility for AC, approaching donors and maintaining good relationships and internal tasks, including communication related to fundraising, allocation funds to different departments and budgeting. As a result, it would help AC to establish a centralized fundraising strategy.

As the job of a fundraiser is challenging and requires expertise in areas such as research, public relation, strategy, marketing, lobbying and administrations, an ideal candidate would need to embody certain skills that AC should look for, including “Adherence”, “Accountability”, “Courage”, “Honesty and Integrity”, “Trustworthiness” and “Transparency” (Pattey, 2013). Given these certain skills, it seems preferable for AC to seek candidates in other Transparency International chapters or candidates with an expertise in fundraising in Latin America. Furthermore, it is proposed to hire a Fundraiser with a “performance-based” salary, divided into base wage and bonuses, depending on his or her performance. It would reduce the financial risk and incentivize the employee to work efficiently (Theuvsen, 2004). The cost-benefit analysis of hiring a fundraiser shows that this solution option could generate net benefit of US\$96.418,19 (see Appendix 14).

Evaluation of Solution Option

Hiring a Fundraiser seems to be the best option for AC in order to escape from the short-term, not sustainable, decentralized and project-specific fundraising strategy. This option fulfills

sustainability criteria such as stability and long-term orientation. Moreover, potential donations raised by a fundraiser would be unrestricted and hence would significantly contribute to the proposed Base Fund. Regarding feasibility, this option currently seems impossible to realize due to the lack of internal resources, namely tight financial situation of Acción Ciudadana.

2.4 Recommendation

After elaborating on four solutions options, the following section will provide Acción Ciudadana with the recommendation of most sustainable solution and the implementation plan.

2.4.1 Hiring a Fundraiser

As mentioned in the previous section, hiring a fundraiser seems to be an inevitable step towards introducing sustainable business model at Acción Ciudadana. It is perceived as the only solution to escape the vicious cycle of a decentralized, project-specific funding. Therefore, it is recommended to AC to take the following steps into account while hiring a fundraiser. Firstly, it is advised to begin the process as soon as possible. Secondly, to look for a candidate that embodies previously mentioned set of characteristics and possesses an expertise in areas of research, public relation, strategy, marketing, lobbying and administration and who has previous experience in other NGO's. Since this solution is currently not feasible for AC, due to limited financial resources, this leads to the recommendation of a plan including several pre- and post-steps in hiring a fundraiser. Only undertaking all following actions will allow Acción Ciudadana to become truly sustainable.

2.4.2 Implementation Plan for Hiring a Fundraiser

In order to overcome the internal factors that hinder Acción Ciudadana from hiring a fundraiser and additionally to establish a diversified funding strategy, an implementation timeline is proposed to realize this solution step-by-step. It includes all the options analyzed in details in the section 2.3 that are considered as not completely sustainable nor feasible when stand alone. However, when

combined together, they will create a sustainable business model for AC.

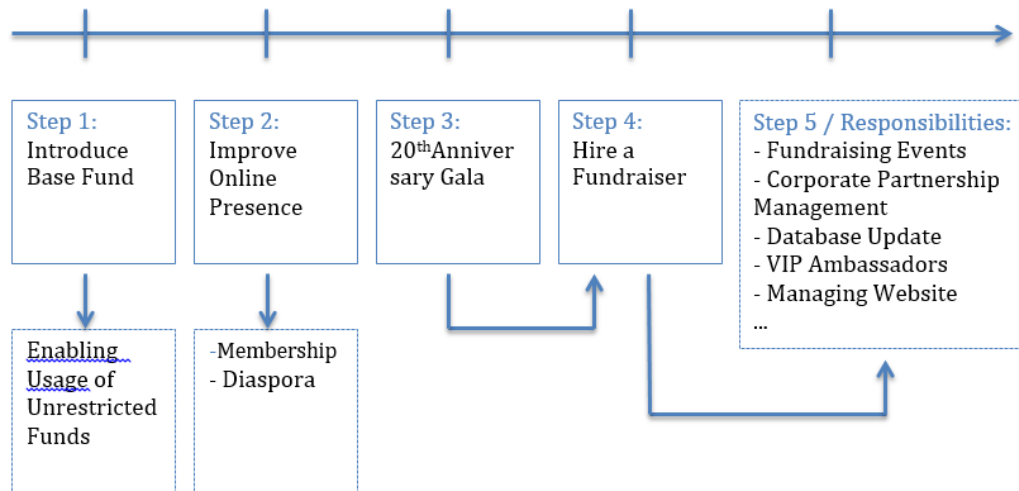


Figure 1: Implementation Timeline

The implementation time line consists out of five steps:

Step 1 – Introducing Base Fund – an unrestricted fund that is not solely used to finance specific projects and might be spent on AC’s administrative and operational expenses. Obviously, Acción Ciudadana will not obtain proposed 25% straight away. However, establishing a Base Fund as soon as possible will enable AC to reach this number in the near future.

Step 2 – Improving AC’s Online Presence - although this option is not considered a sustainable solution, it will enhance the overall sustainability of AC in the long-term by enhancing credibility and recognition of the chapter as well as improving involvement of interaction with donors in the long-run.

Step 3 – Organizing 20th Anniversary Gala – as the process of arranging the gala is already ongoing, the recommendation does not provide a detail explanation of how it should look like. The most important thing is that it aims at generating donations, which might be next used to hire a fundraiser. Since financial resources are the only factor preventing AC from hiring a fundraiser, such an event is a great opportunity to collect money and initiate that process.

Step 4 - Hiring a Fundraiser – the process was already explained in previous sections (see Part 2.4.1 and Part 2.3.4)

Step 5 – Fundraiser Tasks and Responsibilities – hiring a fundraiser eventually makes other analyzed options internally feasible, namely Corporate Partnerships, Fundraising Events and other, e.g. “VIP Ambassadors”. After hiring an employee solely responsible for fundraising all of these options will turn out to be possible to introduce, as the AC will escape from short-term project-specific funding and project coordinators will no longer be responsible for raising donations.

To conclude, this step-by-step approach ultimately enables the feasibility of previously discussed solutions options and leads to a sustainable business model fulfilling the criteria: diversification, stability and long-term orientation of Acción Ciudadana.

2.5 Concerns (shortcomings, implementation problems expected)

Although the proposed implementation timeline, that in consequence leads to hiring a fundraiser seems to be the most suitable option for AC, it involves certain risks. As hiring a fundraiser highly depends on the success of the 20th Anniversary Gala it might happen that this event will not generate enough donations to cover the fundraiser’s salary in the first months. Therefore, Acción Ciudadana should have a back-up plan to secure enough budget.

Moreover, AC bears the risk of hiring a new employee who might not perform accordingly to AC’s expectations and as a result does not secure diversified funding sources. Hence, the recruitment process needs to be carried out carefully to limit the risk of hiring the wrong candidate to minimum.

2.6 Individual contribution

During the 3-months work on the CEMS Business project I was responsible for many different parts of the report. More specifically, there were two individual contributions that I can single out as the most important ones.

Firstly, I was responsible for conducting the analysis of other NGOs funding strategies, creating the overview and evaluating each of the options based on agreed criteria sustainability, feasibility and unrestricted character. The table represents nine different best practices of world largest NGOs such as UNICEF, Oxfam, Amnesty International and others, that was identified based on secondary data research as well as interviews with Acción Ciudadana representatives. Next, based on the evaluation I narrowed down the list to 4 solution options, by the process of elimination. This process can be considered as the key analysis that led us to the final recommendation.

Secondly, due to my background – Master in Finance and previous work experience in this area I was exclusively responsible for conducting Cost-Benefit analysis of four analyzed options (See Appendix 8,11,12,14). It was a challenging task as it required intensive secondary research in order to make reasonable assumptions and use appropriate numbers. Additionally, the whole process was in a close collaboration with AC’s representative, Christoph Kowalewski. The outcome of the cost-benefit analysis, was evaluated as reasonable and likely to happen in the future.

SECTION 3 – Academic Discussion

In the following, the academic link between my Master in Finance and CEMS Business Project will be presented by introducing and analyzing the concept of Sustainable Corporate Finance.

3.1 Sustainable Corporate Finance as the New Financial Theory

Sustainable Corporate Finance (SCF) is an issue that is quickly entering both the financial and economic literature. Originally, it was introduced as the environmental concept by United Nation during conferences in 70s and 80s. In the following, I will focus on introducing this framework treating it as a multi-dimensional concept integrating three key elements (1) financial, (2) social and (3) environmental (Soppe, 2004). Although it seems unlikely that the concept of sustainability could exist already during the economic set-back such as the crash of stock market in 1987 or a

strong bull market until 2000, the most commonly used definition by World Commission on Environment and Development comes from 1987: “Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WECD, 1987). When applied to finance it is important to address two relevant aspects which are (1) financial storage function (of capital and money), which points out that finance can fulfill needs of future generations, e.g. pension fund policy and (2) financial policy focuses on long-term trust and honesty (Soppe, 2004). Sustainable Corporate Finance theory states that financial short-term character and stretching existing rules in order to gain time to meet future policy requirements are not sustainable. Therefore, SCF claims that transparent accounting and availability of important information are two key factors to the successful economic process (Soppe, 2004).

3.2 Sustainable Corporate Finance vs. Traditional and Behavioral Finance

The best way to present the concept of SCP is to analyze four criteria, namely “Theory of the firm” “Human nature of economic actors”, “Ownership paradigm” and “Ethical framework” and compare them to the traditional and behavioral financial theories.

Firstly, SCP considers company as a “Multi-attribute optimizer”, stating that companies’ financial policies should be aimed at three equally important goals: (1) risk/return objective, meaning to optimize financial benefits to the level of incurred risk, (2) future environmental claims and (3) future social claims (Soppe, 2004) While both traditional and behavioral finance theories aim at optimizing expected return, behavioral finance does not accept Efficient Market Hypothesis (Haugen, 1995).

Secondly, according to SCP framework, the behavior of of the economic actors is described as rational, focusing on collaboration and trust that would allow them to achieve previously mentioned goals of the firm. On the other hand, the traditional finance actors are perceived as selfish and

rational whereas behavioral theory recognizes its actors represent the cooperative character but do not embody any morality behavior, e.g. trust (Jensen and Meckling, 1994)

Thirdly, the ownership structure of a firm in Sustainable Corporate Finance theory is considered as a portfolio of different stakeholders, including employees, clients, suppliers and others, among whom risks and benefits are allocated to a similar scope. In terms of traditional and behavioral finance theories, the ownership of a company belongs to shareholders who require management board to undertake all positive Net Present Value (NPV) Projects in order to maximize their own profits (Berle and Means, 1932).

Finally, “Ethical Framework” of Sustainable Corporate Finance is described as “virtue-ethical approach” (Soppe, 2004, Alchian and Demsets 1972). According to Kapteine and Wempe (2002), this “virtue-ethical approach” might be defined as balanced economy that is characterized by omnipresent justice (meaning lawfulness and fairness), contrasting to utilitarian character of traditional finance. Whereas the behavioral finance approach is considered as “bounded rationality”, where the rationality of behavior is limited by available information (Simon, 1997)

3.3 Sustainable Corporate Finance Theory and its Link to CEMS Business Project

The Sustainable Corporate Finance Theory can be linked to my CEMS Business Project “Sustainable Funding Solutions for NGOs. The Example of Acción Ciudadana”. The proposed sustainable solution for Acción Ciudadana, namely the implementation plan for hiring a fundraiser as well as the NGO’s activity itself go in line with the SCF theory and mostly fulfill described 4 criteria. As, Aloy Soppe (2003) argues SCF defines the company as “Multi-attribute optimizer” working on three-dimensional goals (see Part 3.2) and Acción Ciudadana might be considered as an example of an organization, which is trying to optimize its income through raising funds, while simultaneously putting a significant effort on future social claims, meaning relationship with donors to secure future income. Moreover, the employees of AC as well as potentially hired

fundraiser embody the characteristics of Sustainable Corporate Finance “economic actors”, namely cooperation and trust. Especially, willingness to cooperate as well as trustworthy are the characteristics that a fundraiser should represent in order to successfully build and maintain relationship with donors. Furthermore, the ownership structure of Acción Ciudadana goes hand-in-hand with SCF Theory, as there is no one shareholder that acts in a way to maximize his or her own profit. The risk and benefits of the organization are distributed among different stakeholders, including employees, clients (in that case Guatemalan society) and Transparency International. Finally, the general concept of non-profit organization such as Acción Ciudadana matches the SCF “ethical framework” that introduces the concept of justice.

3.4 Implications for the theory and future research

Sustainable Corporate Finance is a new financial theory that undoubtedly needs a further research in order to identify potential benefits arising from applying it by companies nowadays. It is not yet guaranteed whether companies will be able to disregard maximizing a profit in exchange for a positive social and environmental impact. Hence, in order to encourage firms to move from traditional or behavioral financial approach to more sustainable one it is crucial to provide clear evidence of its positive influence on a firm well-being.

SECTION 4 – Personal Reflection

In the following the personal reflection of working on CEMS Business Project will be presented.

4.1 Personal Experience

The Business Project has so far been the most challenging assignment in my academic life. In my opinion, the key strength of my personality that I observed during the work are my group work skills. I was the one who took care of a good atmosphere in a group, was preventing conflicts and loosening the tension, which happened from time to time throughout this 3-month project.

Moreover, I was the one responsible for organizing the work and establishing milestones as well as setting internal deadlines. My key weakness, on the other hand, is the fact that I did not pay attention to details and my partners needed to correct minor things in my parts of the work. My references were not done according to agreed format and I was not paying attention to correct the formatting of the text. Above mentioned issues as well as the feedback from my group members helped me identify my weakness and the area for improvement, namely academic writing. Therefore, in next academic papers my plan is to pay more attention to details and dedicate more time to the execution. Additionally, I am always going to ask someone for feedback not only on content but also on academic writing.

4.2 Benefit of hindsight

In my opinion the part of the Business Project that added most value is the Cost-Benefit Analysis of analyzed solutions options. It indicates the practical character of our work and provides company with reasonable estimations regarding initiatives that it might undertake in the future. Additionally, the chapter that presents the generalizability of our recommendation also provides an added value. It indicates the part of our report that might be implemented by another NGOs, e.g. other local Transparency International chapters. The process of elimination, step-by-step (timeline) approach, general decision-making process and the option of hiring a fundraiser are the parts of the Business Project that are applicable for other NGOs and can help them to establish their sustainable business model. Regarding the aspects of work that should have been done differently I would mention especially better time management, as me and my group ended up finalizing the report during the last week before the deadline, staying long hours at the university. Moreover, we should have controlled our number of words on earlier stages to avoid having to shorten text extremely during the last week before the deadline.

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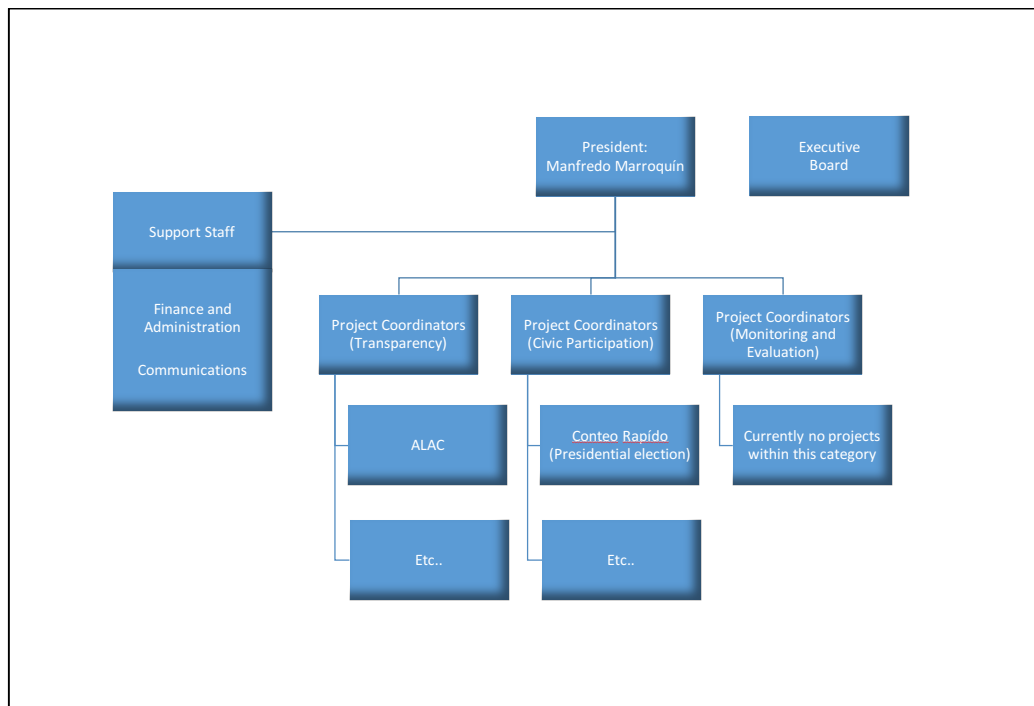
Appendix

Appendix 1: Income Sources for Transparency International Globally, based on Transparency International (2016)





	2015	2014	2013
Governmental Agencies	€ 18 169 086,00	€ 22 562 191,00	€ 24 762 474,00
Multilateral Institutions	€ 5 558 154,00	€ 1 787 426,00	
Foundations and Trusts	€ 1 753 988,00	€ 1 134 546,00	€ 471,53
Corporate Donors	€ 1 036 393,00	€ 585,03	€ 277,46
Individual Donors	€ 45,74	€ 351,63	€ 331,18
Coalition Partners	€ 34,27	€ 22,36	
Others (e.g. Research Institutes, NGOs)	€ 279,44	€ 264,56	€ 965,97
Total	€ 27 097 999,00	€ 26 707 753,00	€ 26 808 609,00

**The 2013 report had a different structure. E.g. financial support from the European Commission is included in Governmental Agencies in 2013, but moved to Multilateral Institutions in 2014 and 2015.*




Appendix 2: Organizational Chart of Acción Ciudadana, based on personal communication with C. Kowalewski (2016)



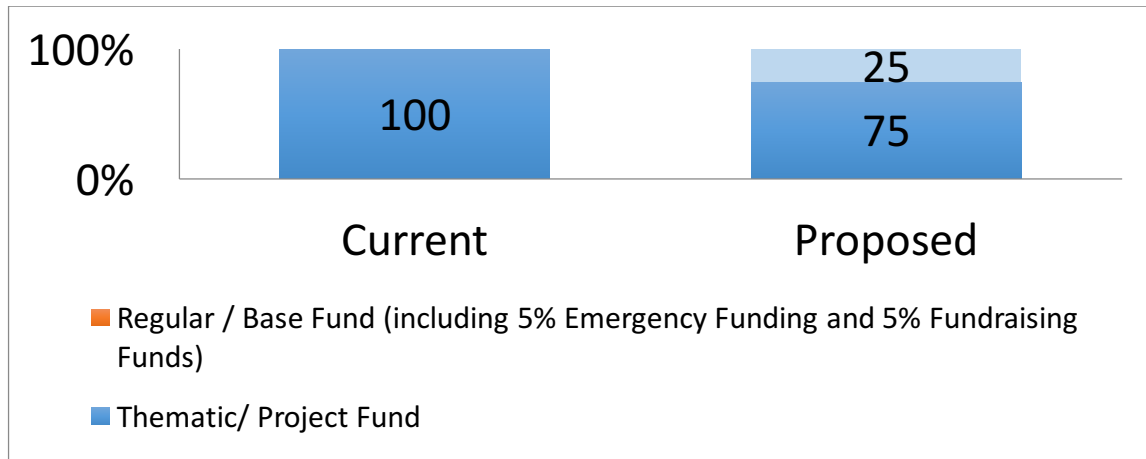
Appendix 3: SWOT Analysis of AC

 STRENGTHS	 WEAKNESSES	 OPPORTUNITIES	 THREATS
<ul style="list-style-type: none"> • The president: Well-known in society, strong leader inside AC • Strong brand with good reputation in Guatemala • Membership in strong international networks, e.g. UN Global Compact • Dedicated employees • Visible in media when they cover corruption crises 	<ul style="list-style-type: none"> • Mostly restricted funds • Limited HR capacity for fundraising • No employee with fundraising expertise • Decentralized responsibility for fundraising • No cooperation among employees working on different projects • Weak networks at national level • Little knowledge and use of new IT funding solutions • Low reach of own communication channels • No donor database 	<ul style="list-style-type: none"> • Increasing online access in Guatemala • Fundraising events are turning into lucrative source of income • The UN consider fighting corruption as essential in achieving the SDGs • Great Guatemalan diaspora in the U.S. • Possibility to leverage on TI reputation (locally & abroad) • Corporate partnerships (with e.g. companies entering Guatemala) 	<ul style="list-style-type: none"> • Diminishing institutional funding • Compete with humanitarian crises for funds (currently crisis in Guatemala due to El Niño) • Low levels of anti-corruption activism among inhabitants • Possible loss of reputation if new donors / corporate partners are involved in corruption

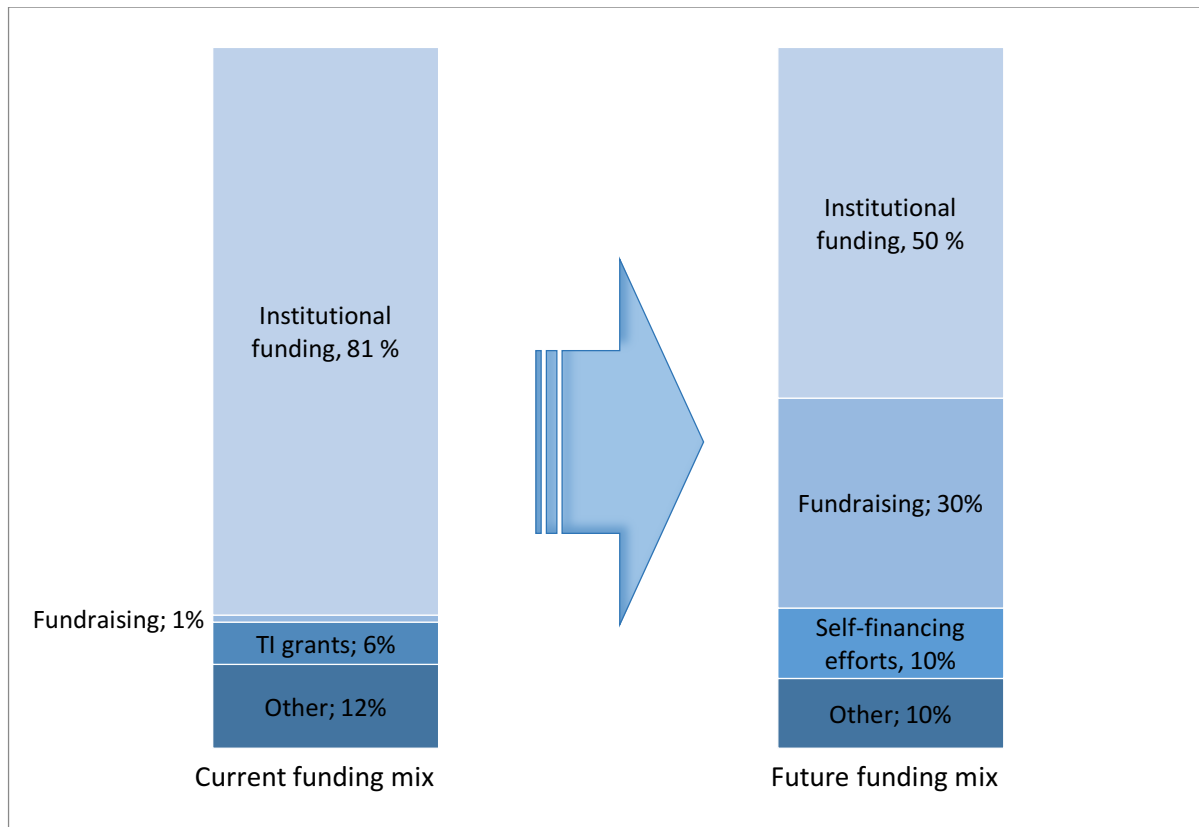
Appendix 4: PESTEL Analysis of Guatemala

 POLITICAL	 ECONOMIC	 SOCIAL	 TECHNOLOGICAL	 ENVIRONMENTAL	 LEGAL
<ul style="list-style-type: none"> • Corruption Perception Index 2015: 28 (123/168) • Democratic Institutions Remain Fragile (Despite Transformation) • Fragmented Political System 	<ul style="list-style-type: none"> • Inflation Rate 01/2016: 4.38% • Service Sector is the Largest Component of GDP: 63% • USA is the Largest Trading Partner • Private Companies are Perceived as "Evil" in the Society • Dependent on Refined Petroleum Import 	<ul style="list-style-type: none"> • One of the Most Dangerous Country in the World, Homicide Rate 39.9 per 100k Citizens • Poverty Rate 2014: 59.3% • Declining Quality of Human Rights • Gini Index 2013: 55.9/100 • Stable Growth in Consumer Expenditure Over Last 5 Years 	<ul style="list-style-type: none"> • Daily Internet Users 2014: 23.4% • Technological Support for Small Farmers from Government • The Internet Access in Household in Urban Area 2014: 27% 	<ul style="list-style-type: none"> • The Problem of Deforestation • One of the Most Ecologically Diverse Nations on the Planet 	<ul style="list-style-type: none"> • Deduction of up to 5% of the Income for Corporate and Individual Donors • Foreign Funding of NGOs is Allowed • Highly Corrupted Police Officers Decreases Law Enforcement

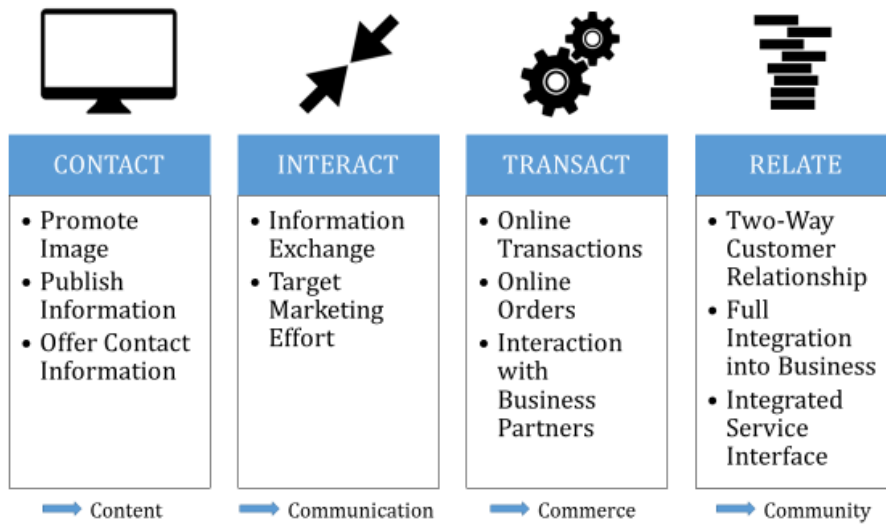
Appendix 5: Current and Proposed Funding Structure of AC



Appendix 6: Sustainable funding mix strategy. Own representation



Appendix 7: Development Stages of Organizational Websites, based on Rowley (2001)

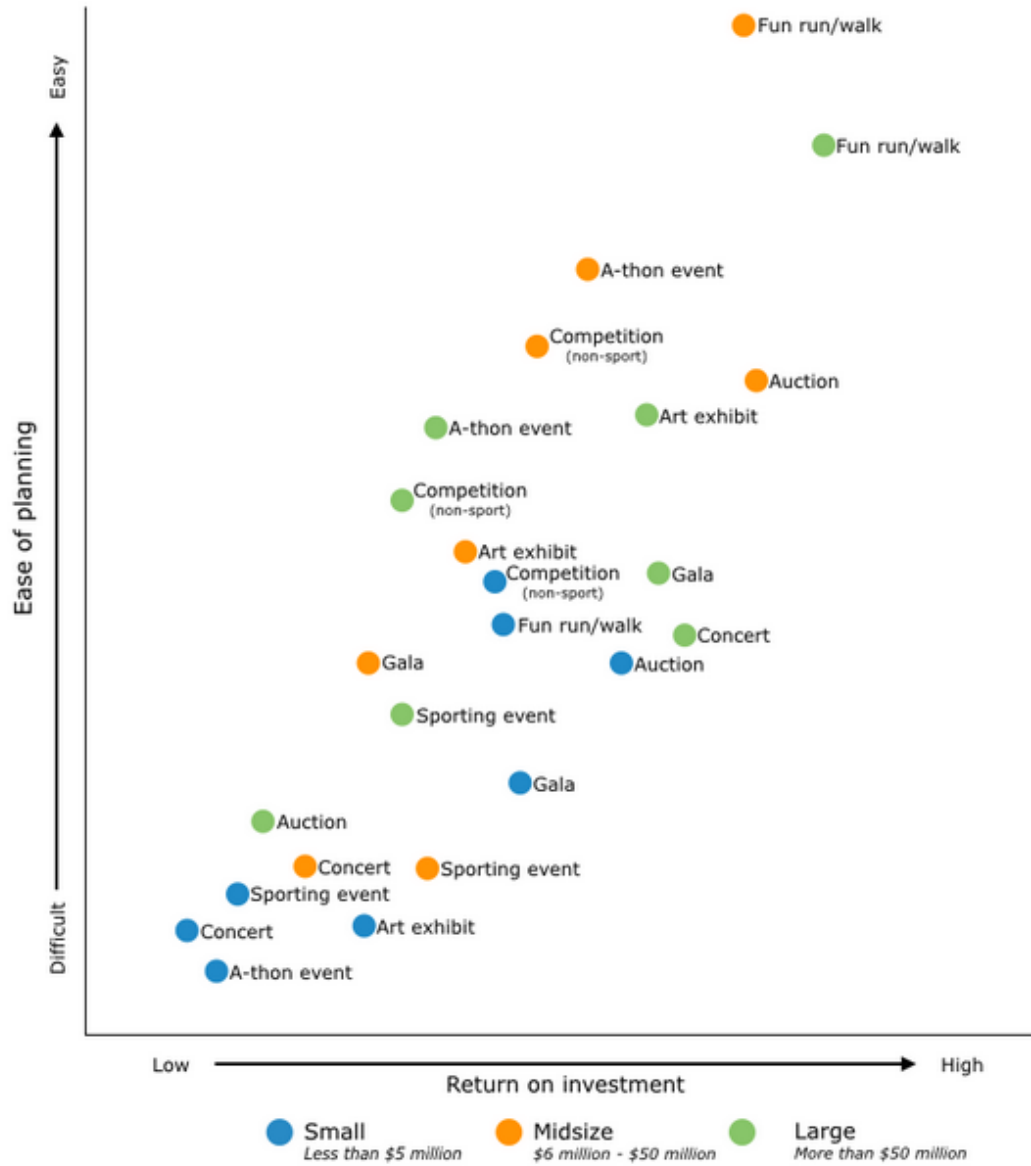


Appendix 8: Cost-Benefit Analysis of Improving AC's Online Presence

Improving AC's Online Presence	2nd half 2016	2017	2018	2019	2020	2021	2022
Costs							
<i>Direct Costs</i>							
Hiring an IT Specialist	\$2 500,00						
<i>Indirect Costs</i>							
Overhead Staff Time (An employee responsible for managing the website)	\$900,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00
Total Costs	\$3 400,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00	\$1 800,00
Benefits							
Donations Raised Online	\$0,00	\$6 705,37	\$7 308,86	\$7 966,65	\$8 683,65	\$9 465,18	\$10 317,05
Total Benefits	\$0,00	\$6 705,37	\$7 308,86	\$7 966,65	\$8 683,65	\$9 465,18	\$10 317,05
Net Benefits	-\$3 400,00	\$4 905,37	\$5 508,86	\$6 166,65	\$6 883,65	\$7 665,18	\$8 517,05

Table 1: Cost-Benefit Analysis: Improving AC's Online Presence, own elaboration

Appendix 9: Ease of Event Planning vs. ROI by NGO Size (Finch, 2015)



Appendix 10: Main Tasks When Organizing a Fundraising Gala

TASKS	REMARKS
1. DETERMINING THE EVENT'S OBJECTIVE	To make time, money, and energy worth it, the organization's expectations as well as the guests' expectations should be met with the objective set for the event.
2. SETTING A BUDGET	How much can AC afford spending on the whole event? It is important that the budget will be monitored throughout the whole organization process.
3. SETTING A THEME	AC already decided on a gala as a general theme. Other ideas for future events could be an auction, a raffle,... (for further inspiration see https://www.salsalabs.com/fundraising-event-ideas-for-nonprofits).
4. CHOOSING A VENUE	determined by theme, availability, as well as guest list: maybe a museum, ...
5. GUESTS	Choose demographics: e.g. Start-up scene, affluent Guatemalans, contacts approached by AC president To be taken care of: <ul style="list-style-type: none"> • invitations, media, Event website and RSVP possibility • Guest arrival planning
6. DETAILS	Catering (Food&Beverages, Staffing), Entertainment, Photographers, Lighting has to be taken care of.

Appendix 11: Cost-Benefit Analysis of Fundraising Events

Fundraising Events	2nd half 2016	2017	2018	2019	2020	2021	2022
Costs							
<i>Direct Costs (Gala)</i>	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00
<i>Direct Costs (Sports Events)</i>	\$0,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00	\$5 000,00
<i>Indirect Costs (Both)</i>							
Overhead Staff Time (An employee responsible for organizing events)	\$1 800,00	\$3 600,00	\$3 600,00	\$3 600,00	\$3 600,00	\$3 600,00	\$3 600,00
Total Costs	\$6 800,00	\$13 600,00	\$13 600,00	\$13 600,00	\$13 600,00	\$13 600,00	\$13 600,00
Benefits (Sports Events)							
Donation Raised	\$0,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$25 000,00
Benefits (Gala)							
Donations from Tickets Sold	\$9 500,00	\$9 500,00	\$9 500,00	\$9 500,00	\$9 500,00	\$9 500,00	\$9 500,00
Donations Raised During the Gala	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00
Indirect Donation Raised (long-term)	\$25 000,00	\$25 000,00	\$25 000,00	\$25 000,00	\$25 000,00	\$25 000,00	\$25 000,00
Indirect Donation Raised (in the given year)	\$2 500,00	\$5 000,00	\$7 500,00	\$10 000,00	\$12 500,00	\$15 000,00	\$17 500,00
Total Benefits	\$22 000,00	\$34 500,00	\$37 000,00	\$39 500,00	\$42 000,00	\$44 500,00	\$62 000,00
Net Benefits	\$15 200,00	\$20 900,00	\$23 400,00	\$25 900,00	\$28 400,00	\$30 900,00	\$48 400,00

Appendix 12: Cost-Benefit Analysis of Corporate Partnerships

In US\$ Corporate Partnerships Costs	2nd half 2016	2017	2018	2019	2020	2021	2022
<i>Direct Costs</i>							
Travel Expenses	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
<i>Indirect Costs</i>							
Overhead Staff Time (Employee Responsible for Corporate Partnerships)	\$3 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00
Overhead Staff Time (AC's Lawyer)	\$631,50	\$1 263,00	\$1 263,00	\$1 263,00	\$1 263,00	\$1 263,00	\$1 263,00
Total Costs	\$3 631,50	\$7 263,00	\$7 263,00	\$7 263,00	\$7 263,00	\$7 263,00	\$7 263,00
<i>Benefits</i>							
Donations Raised	\$0,00	\$31 085,64	\$31 085,64	\$31 085,64	\$31 085,64	\$31 085,64	\$31 085,64
Donations Raised (Including Long-Term Relationship)	\$0,00	\$15 542,82	\$38 857,05	\$50 514,17	\$56 342,72	\$59 257,00	\$60 714,14
Total Benefits	\$0,00	\$15 542,82	\$38 857,05	\$50 514,17	\$56 342,72	\$59 257,00	\$60 714,14
Net Benefits	-\$3 631,50	\$8 279,82	\$31 594,05	\$43 251,17	\$49 079,72	\$51 994,00	\$53 451,14

Appendix 13: List of Potential Corporate Partners for AC

List of potential Corporate Partners			
Gold Partnership:			<i>For companies with anti-corruption as core value/operations</i>
Deloitte	Auditing/Consulting	USA	Those companies that invest in or operate within anti-corruption as area, opens for Gold Partnerships. Auditing firms are concerned with transparency, and e.g. publish reports on corruption regularly.
EY	Auditing/Consulting	USA/UK	
KPMG en Guatemala	Auditing/Consulting	Netherlands	
Silver Partnership:			<i>For companies that can provide AC with needed resources</i>
BK Consultores	Law/Consulting	Guatemala	Companies that can offer AC resources of specific interest, could be offered a Silver partnership. We kept two domestic firms in the list since both services are valuable resources to AC if they can assure the companies are not involved in corruption.
Ericsson de Guatemala, S. A.	Telecommunications/IT	Sweden	
La Feria Mágica	Event Planning	Guatemala	
Microsoft de Guatemala, S. A.	IT/Software	USA	
Bronze Partnerships:			<i>For all companies with potential for mutual leverage with AC</i>
American Airlines Inc.	Airlines	USA	All companies fulfilling the minimum requirement to become a partner of AC have access to the Bronze Partnership.
Avis Rent-a-Car	Car Rental	USA	
Budget	Car Rental	USA	
Colgate-Palmolive Inc.	Consumer Goods	USA	
Hertz	Car Rental	USA	
Intel	Technology/Processors	USA	
Manpower Guatemala	Recruiting/HR	USA	

Appendix 14: Cost-Benefit Analysis of Hiring a Fundraiser

Hiring a Fundraiser	2nd half 2016	2017	2018	2019	2020	2021	2022
Costs							
<i>Recruitment Costs</i>	\$1 700,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
Advertisement	\$200,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
Hiring a Headhunter	\$1 500,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
<i>Training Costs</i>	\$600,00	\$1 200,00	\$1 200,00	\$1 200,00	\$1 200,00	\$1 200,00	\$1 200,00
<i>Workplace Integration Costs</i>	\$475,00	\$6 150,00	\$6 150,00	\$6 150,00	\$6 150,00	\$6 150,00	\$6 150,00
Computer	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
Cell Phone	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
Cell Phone Expenses	\$475,00	\$950,00	\$950,00	\$950,00	\$950,00	\$950,00	\$950,00
Travel Expenses	\$0,00	\$5 200,00	\$5 200,00	\$5 200,00	\$5 200,00	\$5 200,00	\$5 200,00
<i>The Cost of Salary and Benefits</i>							
The Cost of Salary	\$6 000,00	\$12 000,00	\$12 000,00	\$12 000,00	\$12 000,00	\$12 000,00	\$12 000,00
The Cost of Benefits	\$3 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00	\$6 000,00
The Cost of Salary (excluding time spent on the other tasks)	\$300,00	\$600,00	\$600,00	\$600,00	\$600,00	\$600,00	\$600,00
Total Costs	\$6 075,00	\$13 950,00	\$13 950,00	\$13 950,00	\$13 950,00	\$13 950,00	\$13 950,00
Benefits							
<i>Donation Raised</i>							
Annual Events	\$15 200,00	\$20 900,00	\$23 400,00	\$25 900,00	\$28 400,00	\$30 900,00	\$48 400,00
Corporate Relationship	-\$3 631,50	\$8 279,82	\$31 594,05	\$43 251,17	\$49 079,72	\$51 994,00	\$53 451,14
Online Donations (Managing Website)	-\$3 400,00	\$4 905,37	\$5 508,86	\$6 166,65	\$6 883,65	\$7 665,18	\$8 517,05
Others (VIP Ambassador _{us})	\$0,00						
Total Benefits	\$8 168,50	\$34 085,19	\$60 502,91	\$75 317,82	\$84 363,37	\$90 559,18	\$110 368,19
Net Benefits	\$2 093,50	\$20 135,19	\$46 552,91	\$61 367,82	\$70 413,37	\$76 609,18	\$96 418,19